



**KPMG LLP**  
**Audit**  
100 Temple Street  
Bristol BS1 6AG  
United Kingdom

Tel +44 (0) 117 905 4362  
Fax +44 (0) 117 905 4200  
DX 149280 Bristol 29  
jonathan.brown@kpmg.co.uk

**Private & confidential**

The Directors  
Yeovil District Hospital NHS Foundation Trust  
Higher Kingston  
YEOVIL  
Somerset  
BA21 4AT

Our ref jb/tw

20 October 2014

To the Directors

**Annual Audit Letter 2013/14**

We are pleased to submit our annual audit letter which summarises the key findings from the 2013/14 audit of Yeovil District Hospital NHS Foundation Trust ("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.yeovilhospital.co.uk](http://www.yeovilhospital.co.uk)

**Scope of our audit**

The statutory responsibilities and powers of appointed auditors are set out in the National Health Service Act 2006 ('the Act'). In discharging these specific statutory responsibilities and powers, auditors are required to carry out their work in accordance with *Monitor's Audit Code for NHS Foundation Trusts* (the Code) which is available from [www.monitor-nhsft.gov.uk](http://www.monitor-nhsft.gov.uk). This summarises where the responsibilities of auditors begin and end and what is expected from you as the audited body.

External auditors do not act as a substitute for the audited body'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.

Under the Code we are required to review and report on:

- the **use of resources** – that is whether you have made proper arrangements for securing economy, efficiency and effectiveness (value for money) in your use of resources;
- the **accounts** – that is the financial statements and the Annual Governance Statement;
- the **quality report** – whether this has been prepared in accordance with the detailed guidance issued by Monitor. This letter summarises the significant issues arising from each of these areas of work.

On 20 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 29 May 2014 meeting Monitor's deadline of 31 May ;
- concluded that there were no matters arising from our use of resources work that we need to report for the year ended 31 March 2014;
- 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 20 May 2014 we also reported 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 the content of its Quality Report and the two indicators mandated by Monitor, these being "62 day Cancer waits" and "Clostridium difficile".
- Our work on the local indicator, percentage of patients discharged before noon, did not raise any significant issues which we need to bring to your attention.

### Key findings

The Trust has generally sound processes in place for the production of the accounts and in relation to use of resources. We did not raise any high priority recommendation during the year, but did raise 3 medium priority recommendations which are summarised below:

- The calculation of patient discharged before noon should be reviewed to ensure the calculation captures the correct period (relates to Quality Report);
- Bank reconciliations for the COIF account should be prepared on a timely basis (relates to Charity accounts); and
- A review process should be put in place regarding the Charity Accounts.

### Fees

Our fee for the 2013/14 external audit was £66,125 excluding VAT. This included £8,000 for our review of the Trust's Quality Accounts and £4,000 for the audit of the Charity Accounts. This was in line with the fee agreed at the start of the year with the Trust's Audit Committee.

We have also completed non audit work at the Trust during the year relating to the Pharmacy Project which amounts to £9,250 excluding VAT.

### Closing remarks

I have discussed and agreed this letter with the Tim Newman, Chief Finance & Commercial Officer 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



Jon Brown  
Director