



*cutting through complexity*

**Sheffield Teaching  
Hospitals NHS  
Foundation Trust  
Annual Audit Letter  
2012/13**

Presentation to the Council of Governors  
Meeting

6 August 2013

Trevor Rees

Partner, KPMG LLP

# Scope and Audit Approach

**Financial  
Statements  
Audit**

**Use of  
Resources**

**Quality  
Report**

**Annual Audit  
Letter**

## Financial Statements Audit

- Unqualified opinion
- No material adjusted audit differences
- Annual Report consistent with financial statements and complies with Monitor's Annual Reporting Manual
- One medium priority (Pharmacy Stock) and one low priority (ESR access) control recommendation made

# Financial Performance

Target	Achieved	Commentary
Monitor Financial Risk Rating	✓	Risk rating through the year was 4 (where 5 is lowest risk) but down graded to 3 in May 2013
Prudential Borrowing Code Compliance	✓	The Trust kept within the Prudential Borrowing Limit set by Monitor and reported compliance with the Prudential Borrowing Code
Accounts Outturn	✓	Reported a surplus from continuing operations of £2.416m. The Trust also delivered cost improvements amounting to £23m – slightly under target.
Private Patient Cap	N/A	Requirement to maintain private patient income within percentage base set by Monitor in 2002/03 was removed with effect from 10 October 2012.

## Use of Resources

- Key risks identified at planning:
  - Achievement of efficiency plans
  - Any work/investigations/reviews by other regulators
  - Changes in the commissioning landscape
- No significant issues identified which impact on our conclusion on the Trust's use of resources for 2012/13

## Quality Report

- Three objectives:
  - Limited assurance report on the content of the Quality Report
  - Limited assurance report on two mandated performance indicators (62 day cancer waits and hospital re-admission within 28 days of discharge).
  - Limited testing on one local performance indicator (safety incidents).
- Achieved the required limited assurance opinion on the content of the Quality Report and mandated indicators

## Quality Report

- Issues identified with safety incidents indicator but these were common across all Trusts – largely due to lack of clear definitions from Monitor.
- No data errors identified on the two mandated indicators.

# Consistency of the Quality Report with information specified by Monitor

## Quality Report




*Are significant matters included?*

*Are significant assertions supported?*

- Board minutes and papers
- Quality reports to the Board
- Feedback from commissioners
- Feedback from governors
- Complaints report
- Local Inpatient Survey
- National Staff Survey
- CQC quality and risk profile
- Head of Internal Audit's annual opinion
- Monitor best practice



# Areas for consideration 2013/14

Audit Risk	Issues influencing our audit
 <p><b>Financial Statements</b></p>	<ul style="list-style-type: none"><li>• Impact of the changing roles of commissioners and department funding</li><li>• Achievement of cost improvement plans</li></ul>
 <p><b>Use of Resources</b></p>	<ul style="list-style-type: none"><li>• Achievement of cost improvement plans</li><li>• Impact of matters arising from Francis and Keogh reviews</li></ul>
 <p><b>Quality Report</b></p>	<ul style="list-style-type: none"><li>• Impact of matters arising from Francis and Keogh reviews</li><li>• Quality Governance Framework</li></ul>

**Trevor Rees**

**Partner**

Tel: +44 161 246 4063

[trevor.rees@kpmg.co.uk](mailto:trevor.rees@kpmg.co.uk)