

Auditor's Annual Report

Stockport NHS Foundation Trust – year
ended 31 March 2021

September 2021



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This document is to be regarded as confidential to Stockport NHS Foundation Trust. It has been prepared for the sole use of the Audit Committee as the appropriate sub-committee charged with governance by the Board of Directors. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.

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Section 01: **Introduction**

1. Introduction

Purpose of the Auditor’s Annual Report

Our Auditor’s Annual Report (AAR) summarises the work we have undertaken as the auditor for Stockport NHS Foundation Trust (‘the Trust’) for the year ended 31 March 2021. Although this report is addressed to the Trust, it is designed to be read by a wider audience including members of the public and other external stakeholders.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 and the Code of Audit Practice (‘the Code’) issued by the National Audit Office (‘the NAO’). The remaining sections of the AAR outline how we have discharged these responsibilities and the findings from our work. These are summarised below.



Opinion on the financial statements

We issued our audit report on 4 June 2021. Our opinion on the financial statements was unqualified.



Value for Money arrangements

In our audit report issued we reported that we had not completed our work on the Trust’s arrangements to secure economy, efficiency and effectiveness in its use of resources and had not issued recommendations in relation to identified significant weaknesses in those arrangements at the time of reporting. Section 3 confirms that we have now completed this work and provides our commentary on the Trust’s arrangements. We have now issued one recommendation from this work.

Following the completion of our work we have issued our audit certificate which formally closes the audit for the 2020/21 financial year.



Wider reporting responsibilities

In line with group audit instructions issued by the NAO, on 16 June 2021 we reported that the Trust’s consolidation schedules were consistent with the audited financial statements.



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Section 02:

Audit of the financial statements

2. Audit of the financial statements

The scope of our audit and the results of our opinion

Our audit was conducted in accordance with the requirements of the Code, and International Standards on Auditing (ISAs).

The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Trust and whether they give a true and fair view of the Trust's financial position as at 31 March 2021 and of its financial performance for the year then ended. Our audit report, issued on 4 June 2021 gave an unqualified opinion on the financial statements for the year ended 31 March 2021.

Qualitative aspects of the Trust's accounting practices

We reviewed the Trust's accounting policies and disclosures and concluded they complied with Department of Health and Social Care Group Accounting Manual 2020/21, appropriately tailored to the Trust's circumstances.

Draft accounts were received from the Trust on 27 April 2021 in line with the DHSC timetable. The quality of the initial draft accounts was good, and our initial review comments did not identify any material omissions or corrections that were required. The Trust prepared and shared supporting working papers and evidence through the audit.

Significant matters discussed with management

During the audit we maintained a regular dialogue with management. Among the matters discussed through these conversations were:

Valuation and accounting treatment of consumable inventory provided by DHSC

We discussed the Trust's treatment and valuation of the consumables provided by DHSC. Known as 'push-stock', the Trust has included the entire cost of these items in its operating expenditure and has not included any value in its inventory balance. We are satisfied from our discussions and audit procedures that this treatment is consistent with the requirements of the GAM and has not led to any material errors in the Trust accounts.

Disclosure of senior management remuneration

The Trust has had several changes in senior management through the year, including secondments in and out, and this has led to a more detailed and complex disclosure of senior management remuneration in the Remuneration Report within the Trust's Annual Report and Accounts. We discussed the disclosure requirements with the Trust before the start of the final audit work to assist the Trust to compile a materially accurate disclosure tables. While our work is still to be completed the Trust are intending to make some minor amendments to some of the disclosures in the Remuneration Report.

Valuation of the annual leave accrual

To reflect the significant impact of Covid-19 on the pattern of Trust staff taking annual leave the Trust has adapted its previous approach to calculating the accrual that reflects the value of leave remaining untaken at the end of the financial year. We discussed the approach with the Trust and obtained evidence to satisfy ourselves that the value included as an accrual was based on a reasonable estimate of the cost of untaken leave at the end of the financial year.

Significant difficulties during the audit

Completing a first year audit in the Covid-19 pandemic has been challenging for both ourselves and the Trust, and we have outlined the challenges of the pandemic earlier in the report. We have had the full co-operation of and support from management through the audit and this has helped support the progress of the audit.

2. Audit of the financial statements

Internal control recommendations

As part of our audit, we considered the internal controls in place that are relevant to the preparation of the financial statements. We did this to design audit procedures that allow us to express our opinion on the financial statements, but this did not extend to us expressing an opinion on the effectiveness of internal controls. We identified the following deficiencies in internal control as part of our audit.

Description of deficiency
Our testing of staff who have left the Trust in the year identified that access for 19 of the staff had not been removed from the Unit4 IT system after they had left the Trust. In all 19 cases our testing confirmed that there had been no access to the system since the staff had left.
Potential effects
Not removing users who have left the Trust from the IT system may compromise the IT control environment exposing the Trust to potential risks of unauthorised access to the system.
Recommendation
Ensure that all users are promptly removed from the IT systems when they leave in order to prevent any unauthorised access.
Management response
The Finance Team will liaise with HR and IT colleagues to ensure Trust processes are adhered to, and leavers promptly removed
Target date: 30 June 2021

Description of deficiency
Our review of the Trust’s IT policies identified that the IT Backup & Continuity Policy and the IT Change Management Policy had not been reviewed/updated since 2018, although these were planned for review in 2020 but was put back due to the impact of Covid-19.
Potential effects
Not keeping policies up to date may lead to them not being consistent with the Trust’s requirements and expectations.
Recommendation
Ensure that IT policies are updated routinely.
Management response
These policies are scheduled to be updated in 2021/22.
Target date: 31 July 2021

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Section 03:

Commentary on VFM arrangements

3. VFM arrangements – Overall summary

Approach to Value for Money arrangements work

The new Code of Audit Practice (the Code) has changed the way in which we report our findings in relation to Value for Money (VFM) arrangements from 2020/21. We are required to consider whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:

- **Financial sustainability** - How the Trust plans and manages its resources to ensure it can continue to deliver its services
- **Governance** - How the Trust ensures that it makes informed decisions and properly manages its risks
- **Improving economy, efficiency and effectiveness** - How the Trust uses information about its costs and performance to improve the way it manages and delivers its services

At the planning stage of the audit, we undertake work so we can understand the arrangements that the Trust has in place under each of the reporting criteria; as part of this work we may identify risks of significant weaknesses in those arrangements. Where we identify significant risks, we design a programme of work (risk-based procedures) to enable us to decide whether there is a significant weakness in arrangements. Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest there are further risks of significant weaknesses.

Where our risk-based procedures identify actual significant weaknesses in arrangements, we are required to report these and make recommendations for improvement.

The table below summarises the outcomes of our work against each reporting criteria. On the following pages we outline further detail of the work we have undertaken against each reporting criteria, including the judgements we have applied.

Reporting criteria	Commentary page reference	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability	12	No	No
Governance	13	No	No
Improving economy, efficiency and effectiveness	15	Yes – see risk on page 10	Yes – see recommendation on page 11

3. VFM arrangements – Risks of significant weakness in arrangements

Risks of significant weaknesses in arrangements

We have outlined below the risk of significant weaknesses in arrangements that we have identified as part of our continuous planning procedures, and the work undertaken to respond to each of those risks.

Risk of significant weakness in arrangements		Work undertaken and the results of our work
1	<p>NHS England / Improvement licence condition modifications and CQC inspection report</p> <p>Through 2020/21 the Trust has continued to operate under modifications to its conditions of licence. These modifications were issued by NHS Improvement in December 2017.</p> <p>In addition in May 2020 CQC issued a report into their inspection of the Trust and rated the Trust as ‘requires improvement’, also issuing a section 29a warning notice to the Trust.</p> <p>These matters indicate a risk of significant weaknesses in proper arrangements against the Improving Economy, Efficiency and Effectiveness reporting criteria detailed on page 9.</p>	<p>Work undertaken</p> <p>We reviewed the Trust’s progress in responding to the licence modifications and the CQC inspection report. This included reviewing the:</p> <ul style="list-style-type: none">• action plan the Trust developed and submitted to the CQC following the inspection and on receipt of the final CQC report;• the agendas and minutes of the Stockport System Improvement Board; and• the additional internal oversight arrangements established by the Trust to monitor progress against the action plan and address the areas for improvement identified. <p>Results of our work</p> <p>Notwithstanding the Trust’s response, in our view, the continued existence of the modifications to the licence conditions issued by NHS Improvement represents a significant weakness in arrangements. A summary of the significant weakness in arrangements identified and the supporting recommendation for improvement are provided on page 11.</p>

3. VFM arrangements - Identified significant weaknesses and our recommendations

Identified significant weaknesses in arrangements and recommendations for improvement

As a result of our work we have identified a significant weakness in the Trust's arrangements to secure economy, efficiency and effectiveness in its use of resources. The identified weaknesses have been outlined in the table below.

Identified significant weakness in arrangements	Financial sustainability	Governance	Improving the 3Es	Recommendation for improvement	Our views on the actions taken to date
<p>NHS England / Improvement licence condition modifications and CQC inspection report</p> <p>The Trust has continued to operate under modifications to its conditions of licence. These modifications were issued by NHS Improvement in December 2017. In addition in May 2020 CQC issued a report into their inspection of the Trust and rated the Trust as 'requires improvement', also issuing a section 29a warning notice to the Trust.</p> <p>The focus of these elements are inter-related and are focused on the performance of front-line services including A&E. The Trust has evidenced significant progress through the year in improving performance across a number of these areas of weakness. This improvement has continued in 2021/22 and the improvements have led to the Stockport System Improvement Board recognizing, in April 2021, that the section 29a warning regulations had now been met. Furthermore, in September 2021 NHSE/I confirmed that Improvement Board meetings would move from monthly to every two months and that the Trust would no longer require national intervention support to assist its improvements.</p> <p>Despite these significant improvements in performance through the year, the Trust continues to operate under the licence modifications and some of the actions to address the CQC inspection report recommendations are still to be embedded. These circumstances indicate that there are significant weaknesses in the Trust's arrangements in 2020/21.</p>			●	<p>The Trust should ensure it continues to deliver and embed the remaining actions in the action plans, and sustains the direction of travel of improvements it has demonstrated through the year.</p> <p>In particular, it should ensure robust monitoring and reporting processes are maintained, and that challenge, scrutiny and escalation arrangements drive the required improvements and sustain the progress made to-date in implementing the actions to address the issues raised by the CQC.</p>	<p>There has not yet been time for the Trust to address our recommendation in full, but we are aware that the Trust continues its efforts to address the issues identified by NHSE/I and CQC and maintains the additional oversight arrangements established to challenge and monitor progress.</p>

3. VFM arrangements - Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria

Background to the NHS financing regime in 2020/21

Following the onset of the Covid-19 pandemic in March 2020, the original NHS Planning Guidance 2020-21 was suspended and a new financial regime was implemented. For the first half of the year (April to September 2020) all NHS trusts and NHS foundation trusts were moved to block contract payments 'on account' and the usual Payment by Results national tariff payment process was suspended. The Financial Recovery Fund was also suspended and NHS providers were able to claim for additional costs due to COVID-19. Whilst commissioner allocations for 2020-21 had already been notified, individual commissioner financial positions were kept under review and top-up payments were issued to commissioners to cover the difference between allocations and expected costs to pass on to providers. For the second half of the year (October 2020 to March 2021) there was a move to "system envelopes" with funding allocations covering most NHS activity made at the system level, including resources to meet the additional costs of the Covid-19 pandemic. There were no further general retrospective top-up payments and all Covid-19 costs from that point were funded through the fixed Covid-19 funding allocation with a few exceptions. Systems were expected to achieve financial balance within this envelope and individual organisations were able to deliver surplus or deficit positions by mutual agreement within the system. However, NHS trusts and foundation trusts were still required to meet statutory break-even duty and CCGs required to meet their resource limits.

The Trust's financial planning and monitoring arrangements

In response to the different finance regime in 2020/21 the Trust approved and submitted a financial plan in line with the NHS requirements. This plan included a requirement for top-up funding for the first half of the year to support the Trust in achieving its forecast break-even position, and a deficit of £6.7m for the second half of the year. We reviewed the assumptions underpinning the plan, the reports prepared for the Board and the minutes of relevant meetings where the revised financial plan was considered. We confirmed the assumptions made by management appeared reasonable, the reports were clear and concise and adequate scrutiny by the Board was evident at their meetings. The Trust reported an adjusted outturn position at 31 March 2021 of £6.7m deficit, in line with its submitted plan. During the year the Trust reported its financial position to the Finance & Performance Committee and then subsequently to the Board. We reviewed a sample of reports, which contain evidence of a clear summary of the Trust's performance, detail variances and provide adequate explanation of the causes. The reports also provide an updated forecast to the end of the financial year.

The Trust's arrangements for the identification, management and monitoring of funding gaps and savings

The Trust has a Cost Improvement Programme (CIP) which aims to deliver efficiencies and savings whilst driving service improvements across the Trust. CIP targets are established with reference to national planning

guidance, benchmarking data, and internal intelligence as part of the operational planning process – with executive oversight. CIP targets are articulated as part of the annual operational plan – considered by Finance & Performance Committee and approved by Trust Board. For 2021/22 the Trust has a CIP target of £2.1m for the first half of the year following the detailed planning work and identification of savings already achieved. This £2.1m gap has been allocated across departments and divisions and is monitored by the Finance & Performance Committee.

The Trust's arrangements and approach to 2021/22 financial planning

For the first half of 2021/22 the NHS remains under the same financial arrangements as for the second half of 2020/21. The arrangements will continue to include system funding envelopes. Block payments remain in place for relationships between CCGs and NHS providers. NHS England and Improvement (NHSE/I) have nationally calculated CCG and NHS provider organisational plans as the default positions for systems and organisations to adopt. These then provide a starting point for budget management without the need to complete an extensive planning process. The Trust Strategy & Planning team co-ordinate the annual planning process – drawing on input from clinical, operational and support functions across the Trust – with Executive oversight. The Trust actively engages with the GM partners on the key aspects of local & ICS system financial and operational planning. The annual planning and budget setting exercise includes the identification and quantification of financial and operational risks. Financial plans are considered by the Finance & Performance Committee – and receive Board approval. The Board and relevant sub-committees are kept updated on longer term financial modelling assumptions via the Trust Medium Term Financial Strategy and key financial pressures identified under the Drivers of the Trust Financial Position exercise.

The Trust undertook its planning exercise for 2021/22 within the Greater Manchester 'system' and following the planning discussions the Trust has a break-even financial plan having received £40.2m of funding from the GM system. The break-even plan includes a CIP requirement of £2.1m in the first part of the year. We have reviewed the Trust's financial plans and its reporting of the progress through the year. It is clear that the Trust is closely monitoring the progress against plan to date, is fully aware of where the gaps are and continues to work proactively to try and identify mitigating actions. While the Trust continues to work hard on improving the financial position there remain significant long term financial challenges to address once the NHS returns to pre-pandemic financial planning arrangements.

Based on the work completed we are satisfied there is not a significant weakness in the Trust's arrangements in relation to financial sustainability.

3. VFM arrangements – Governance

Overall commentary on the Governance reporting criteria

The Trust’s risk management and monitoring arrangements

The Trust has a comprehensive risk management system in place which is embedded into the governance structure of the organisation. The processes are supported by the Trust-wide Risk Management Strategy and the Trust leadership plays a key role in implementing and monitoring the risk management process.

The Trust has a well-established risk management framework and Board Assurance Framework. The BAF is reported to each month’s Board meeting. The BAF process has been revised/improved in 2020/21 and the refreshed BAF mapped eight strategic risks against the strategic objectives. These represented a combination of internal and external strategic risks to achieving the objectives identified for 2020-21.

The Trust formed a new Risk Management Committee during 2020/21, chaired by the Chief Executive with representation from Executive Directors and management. Meeting monthly the Committee reviews the corporate risk register and can undertake detailed reviews of business group and corporate service risk registers.

The Committee provides a regular report to the Board, and this articulates the risks to the delivery of the Trust objectives. The Trust Board is responsible for the overall management of the Trust’s risks, and the Board sub committees monitor the risks in their relevant areas. The roles and responsibilities of the Board, sub committees, key directors and senior managers is set out in the Trust’s Risk Management Policy.

We have reviewed the Corporate Risk Register. The risks are linked to the Trust’s strategic aims and are cross-referred to the Board Assurance Framework, providing a thread from operational to strategic risk management. The minutes of discussions detail the challenge and discussion around the risks.

In order to provide assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud, the Trust has appointed internal auditors and local counter fraud specialists. Work plans are agreed with management at the start of the financial year and reviewed by Audit Committee prior to final approval.

We have reviewed the Internal Audit Plans for 2020/21 and 2021/22. Progress reports are presented to each Audit Committee meeting including follow up reporting of recommendations not fully implemented by agreed due dates. This allows the Committee to effectively hold management to account on behalf of the Board. Our attendance at Audit Committees throughout the period confirms the significance placed on internal audit findings. Members of the committee actively request management attendance at committees to discuss findings from internal audit reports.

The Trust’s arrangements for budget setting and budgetary control

The Trust’s budget process is informed by the annual planning process. The annual planning process is led by the Trust Strategy & Planning team and is designed to be delivered in compliance with the NHS national requirements and timetable. For 2020/21 and 2021/22 the process has been different to the usual process as a result of the impact of Covid-19. However, the Trust has produced, approved and submitted its financial plans and has continued to monitor the delivery of the budget.

The Trust develops its detailed budget based on forecast outturn from the previous year and known planning guidelines for the following year. Known pressures and increases are incorporated alongside the impact of any business cases, inflation and adjustments for non-recurrent items. Review meetings take place prior to final approval in order to agree the final financial plan.

Budget information is held within the Trust’s general ledger system and reconciled to the approved annual plan and control totals. The Trust’s finance team operates on a prompt closedown timetable, meaning budget statements are provided to budget holders promptly after the end of month allowing for timely review and scrutiny. We have reviewed an example budget report and confirmed it contains a detailed variance analysis which is linked to the Trust’s general ledger. This allows the budget holder to drill down to transactional level for detailed review.

The financial position is reported to the Finance & Performance Committee and Trust Board each month and includes sufficient detail to allow for effective review and challenge at the senior leadership level.

3. VFM arrangements – Governance

Overall commentary on the Governance reporting criteria continued

The Trust’s decision making arrangements and control framework

The Trust has a Board and a series of Committees incorporating executive and non-executive directors. These meetings are frequent and detailed. Decisions are made through these meetings. All meetings are supported by detailed agendas and written reports from management. Agendas follow a set structure which enables the meeting to focus the majority of the available time on key matters requiring decisions to be made. The Board receives copies of all minutes from the Committees and the chairs of each committee are required to highlight to Board any matters for their attention.

As a result of the Covid-19 pandemic, in line with best practice guidance from NHSE/I the Trust temporarily rationalised the established Board and committee meeting structure to allow Executive Directors and other senior managers to focus on the operational pressures caused by the virus. The Trust maintained meetings of the Quality and Audit Committees, but suspended meetings of the other committees at the height of the pandemic. Key issues that would have gone to Finance and Performance or People Performance Committees were temporarily escalated to the Board.

Board agendas were minimised to focus on key strategic and operational risks, with detailed notes of usual Board business kept in order to pick up these areas post pandemic. The meetings continued to be held on a monthly basis but were held virtually. Papers continued to be posted on the website and members of the public were invited to send in questions about those papers, which would be answered in the subsequent minutes.

The Board of Directors also approved the creation of three new, time limited operational groups:

- Clinical Advisory Group,
- Workforce Advisory Group, and
- Financial Advisory Group.

These groups were established to help co-ordinate and manage the impact of the pandemic. The agreed terms of reference for the groups set out the scope of their responsibilities, as well as reporting lines for any decisions with financial consequences or which would set a precedent for the trust or partner organisations. The groups provided weekly key issues reports to the Executive Director team, which escalated any significant operational or strategic risks to the Board of Directors. The groups were stood down at the end of March 2021.

3. VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on the Improving Economy, Efficiency and Effectiveness reporting criteria

The Trust’s arrangements for assessing performance and evaluating service delivery

The Trust has a well-established approach to performance management which includes identifying key indicators and monitoring and reporting these throughout the year. A range of other operational indicators are produced which measure performance and identify opportunities for improvement, e.g. A&E indicators, Referral to Treatments, Cancer Care Delayed Transfer of Care, infection control and workforce Indicators.

The formal reporting of performance is through a monthly Integrated Performance Report to the Board. This report is comprehensive and incorporates a ‘Trust Highlight’ and Summary Dashboard providing a clear oversight of performance across the Trust. The report also incorporates substantial detailed information on each indicator including performance trends over time for each indicator and narrative contextual and explanatory commentary. Where improvements are required these are highlighted in the report, enabling the Trust to take appropriate actions on a timely basis.

In 2020/21 the Board received a range of performance related reports in addition to the monthly, Integrated Performance Report. The Board had a particular focus on the impact of the COVID-19 pandemic on performance. We have reviewed the performance information provided to the Board and this demonstrates that the Board effectively holds managers to account where performance improvements are required.

The latest CQC inspection of the Trust was undertaken in 2020, and was reported in May 2020. This rated the Trust as ‘requires improvement’ overall. Following the inspection the Trust also received a section 29a warning notice from CQC requiring action to be taken by May 2020. In addition the Trust also has a modification to its licence conditions issued by NHS England/Improvement in December 2017. Following the CQC inspection and warning notice, the Trust produced an action plan and worked closely with NHSE/I to ensure improvements were properly delivered and embedded. NHSE/I provided support through a national intensive support director, and established and chaired a Stockport System Improvement Board (SIB) in order to deliver improvements across the local healthcare system. The SIB brought together partners from the Council, mental health services, NHS commissioners, the regulators and the Trust. The monthly meetings of the SIB have provided an effective approach to monitoring, challenging and holding to account, and there have been significant improvements reported through the SIB meetings. In particular, in April 2021 the SIB meeting confirmed that the section 29a warning regulation had been met and that related action had been stood down. Furthermore the reporting on the CQC inspection report action plan identified that most of the recommendations had been delivered and embedded by May 2021 with no actions being at risk of non-delivery. To provide assurance to the Trust Board, the 2020/21 internal audit plan included a review of the CQC action planning process, and this provided the Trust with a ‘high assurance’ report, raising only one low priority recommendation for improvement.

Notwithstanding the improvements evidenced above through 2020/21, as highlighted on page 11, we have identified a significant weakness in arrangements against the improving economy, efficiency and effectiveness reporting criteria as a result of Trust’s licence conditions still being under modification.

The Trust’s arrangements for effective partnership working

The Trust operates within the Greater Manchester Health and Social Care Partnership along with the other Councils, NHS providers and NHS commissioners. The financial regime since September 2020 has been focused at a Greater Manchester level and this has enabled the Partnership to strengthen through the last year. The Trust has played an active role in establishing the new system and senior management are active members of the meetings and groups within the partnership. Strong relationships with the partners have given the opportunity for the Trust and the partners to tackle the wider implications of the pandemic’s impact on the region.

In addition, as outlined above, the Trust is a key member of the Stockport SIB. Set up to address the system-wide issues related to the CQC inspection report in May 2020, the SIB has representatives from the Trust, other NHS providers operating in Stockport, the Council, the NHS commissioner, and the local GP Federation.

The Trust’s arrangements for commissioning services

The Trust has clearly articulated procurement standards set out in a Procurement Policy. The procurement policy is thorough and detailed and covers the procurement of all goods, works and/or services including secondary commissioning of health and social care services, temporary staffing and capital expenditure, irrespective of funding source, procurement route or personnel involved in the procurement. The policy sets out the duties of different grades of staff and the statutory requirements as well as more detailed practical requirements on procurement, including a very detailed section outlining the procurement process to be followed.

The monitoring of the benefits of the Trust’s procurement is integrated with its CIP process set out earlier – procurement is a key strand to deliver the savings required in the programme. Under or non-delivery of savings is reported through the CIP programme and through to Finance committee and the Board, ensuring appropriate challenge and post-procurement review is carried out.

04

Section 04:

**Other reporting responsibilities and
our fees**

4. Other reporting responsibilities and our fees

Matters we report by exception

The NHS Act 2006 provides auditors with specific powers where matters come to our attention that, in their judgement, require specific reporting action to be taken. Auditors have the power to:

- issue a report in the public interest; and
- make a referral to the regulator.

We have not exercised any of these statutory reporting powers.

We are also required to report if, in our opinion, the governance statement does not comply with relevant guidance or is inconsistent with our knowledge and understanding of the Trust. We did not identify any matters to report in this regard.

Reporting to the NAO in respect of consolidation data

The NAO, as group auditor, requires us to report to them whether consolidation data that the Trust has submitted is consistent with the audited financial statements. We have concluded and reported that the consolidation data is consistent with the audited financial statements.

4. Other reporting responsibilities and our fees

Fees for work as the Trust's auditor

We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Audit Strategy Memorandum presented to the Audit Committee in February 2021. Having completed our work for the 2020/21 financial year, we can confirm that our fees are as follows:

Area of work	2020/21 fees
Planned fee in respect of our work under the Code of Audit Practice	£46,200
Total fees	£46,200

Due to the COVID-19 pandemic our work on the Trust's Quality Report was cancelled in 2020/21. There were no fees arising in relation to this work in 2020/21.

Fees for other work

We confirm that we have not undertaken any non-audit services for the Trust in the year.

Mazars

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