

Annual Audit Report 2022 – Velindre University NHS Trust

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Summary report

About this report

- 1 This report summarises the findings from my 2022 audit work at Velindre University NHS Trust (the Trust) undertaken to fulfil my responsibilities under the Public Audit (Wales) Act 2004. That Act requires me to:
 - examine and certify the accounts submitted to me by the Trust, and to lay them before the Senedd;
 - satisfy myself that expenditure and income have been applied to the purposes intended and are in accordance with authorities; and
 - satisfy myself that the Trust has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources.
- 2 I report my overall findings under the following headings:
 - Audit of accounts
 - Arrangements for securing economy, efficiency, and effectiveness in the use of resources
- 3 This year's audit work took place at a time when NHS bodies continued to respond to the unprecedented and ongoing challenges presented by the COVID-19 pandemic. Health bodies were not only tackling the immediate challenges presented by the public health emergency but were also seeking to recover and transform services to respond to the significant numbers of people who are waiting for treatment and improve population health. My work programme, therefore, was designed to best assure the people of Wales that public funds are well managed. I have considered the impact of the current crisis on both resilience and the future shape of public services.
- 4 I aimed to ensure my work did not hamper public bodies in tackling the crisis, whilst ensuring it continued to support both scrutiny and learning. We largely continued to work and engage remotely where possible through the use of technology, but some on-site audit work resumed where it was safe and appropriate to do so. This inevitably had an impact on how we deliver audit work but has also helped to embed positive changes in our ways of working.
- 5 As was the case in the previous two years, the delivery of my audit of accounts work has continued mostly remotely. The success in delivering it reflects a great collective effort by both my staff and the Trust officers.
- 6 I have adjusted the focus and approach of my performance audit work to ensure its relevance in the context of the crisis and to enable remote working. I have commented on how NHS Wales is tackling the backlog of patients waiting for planned care. My local audit teams have commented on how governance arrangements have adapted to respond to the pandemic, and the impact the crisis has had on service delivery.

- 7 This report is a summary of the issues presented in more detailed reports to the Trust this year (see **Appendix 1**). I also include a summary of the status of work still underway, but not yet completed.
- 8 **Appendix 2** presents the latest estimate of the audit fee that I will need to charge to cover the costs of undertaking my work, compared to the original fee set out in the 2022 Audit Plan.
- 9 **Appendix 3** sets out the audit of accounts risks set out in my 2022 Audit Plan and how they were addressed through the audit.
- 10 The Chief Executive and the Executive Director of Finance have agreed the factual accuracy of this report. The Board received the report at the 30 March 2023 Board meeting and every member received a copy. We strongly encourage the Trust to arrange its wider publication. The report will be available to the public on the [Audit Wales website](#) after the Board have considered it.
- 11 I would like to thank the Trust's staff and members for their help and co-operation throughout my audit.

Key messages

Audit of accounts

- 12 I concluded that the Trust's accounts were properly prepared and materially accurate and issued an unqualified audit opinion on them. My work did not identify any material weaknesses in internal controls (as relevant to my audit); however, I brought some issues to the attention of officers and the Audit Committee for improvement.
- 13 By following a Ministerial Direction to the Permanent Secretary of the Welsh Government, the Trust incurred expenditure on NHS Clinicians' pension tax liabilities, which I deem to be outside its powers to spend, so I issued a qualified opinion on the regularity of the financial transactions within the Trust's 2021-22 accounts.
- 14 The Trust met its financial duties in 2021-22; however, as my opinion was qualified regarding the NHS clinicians' pension tax issue, I issued a substantive report setting out the details.

Arrangements for securing efficiency, effectiveness, and economy in the use of resources

- 15 My programme of Performance Audit work has led me to draw the following conclusions:
- Significant progress has been made to improve the Trust's quality governance arrangements.

- The Trust is generally well led and governed, with a clear strategic vision and priorities, improving systems of assurance, and effective arrangements for managing its finances and other resources.

16 These findings are considered further in the following sections.

Detailed report

Audit of accounts

- 17 Preparing annual accounts is an essential part of demonstrating the stewardship of public money. The accounts show the organisation’s financial performance and set out its net assets, net operating costs, gains and losses, and cash flows. My annual audit of those accounts provides an opinion on both their accuracy and the proper use (‘regularity’) of public monies.
- 18 My 2022 Audit Plan set out the key risks for audit of the accounts for 2021-22 and these are detailed along with how they were addressed in **Appendix 3 Exhibit 4**.
- 19 My responsibilities in auditing the accounts are described in my [Statement of Responsibilities](#) publications, which are available on the [Audit Wales website](#).

Accuracy and preparation of the 2021-22 accounts

- 20 I concluded that the Trust’s accounts were properly prepared and materially accurate and issued an unqualified audit opinion on them. However, in common with most other NHS bodies in Wales we did qualify our regularity opinion in respect of clinicians’ pensions tax liabilities, which occurred after the Trust followed a Ministerial Direction to the Permanent Secretary of the Welsh Government. My work did not identify any material weaknesses in internal controls (as relevant to my audit). However, I brought some issues to the attention of officers and the Audit Committee for improvement.
- 21 The Trust submitted its draft accounts within the required deadline. The accounts, and supported working papers, were of good quality, and officers of the Trust provided us with an appropriate level of support and engagement to enable us to complete the audit on a timely basis.
- 22 I must report issues arising from my work to those charged with governance (the Audit Committee) for consideration before I issue my audit opinion on the accounts. My Financial Audit Engagement Lead reported these issues on 13 June 2022. **Exhibit 1** summarises the key issues set out in that report.

Exhibit 1: issues reported to the Audit Committee

Issue	Auditors’ comments
Uncorrected misstatements	<p>There were two uncorrected misstatements above our trivial level but lower than our materiality level within the 2021-22 accounts:</p> <ul style="list-style-type: none">• In line with many other Welsh health bodies and in compliance with instructions from Welsh

Issue	Auditors' comments
	<p>Government under Technical Update 7, the Trust had not applied the latest rate of indexation from the District Valuer in the calculation of land and building assets within the financial statements. This resulted in the asset carrying values (Net Book Value) being understated by £1,107,000 and the annual depreciation charged to expenditure being understated by £13,000.</p> <ul style="list-style-type: none"> • Our sample testing identified a number of fully depreciated assets that had been disposed of but not removed from the Trust's Fixed Asset Register and therefore the accounts. As these assets have been fully depreciated, they had no Net Book Value and were therefore carried at nil value in the Statement of Financial Position, however the Gross Book Values and Accumulated Depreciation figures within Note 13 of the accounts were both overstated by £570,000.
Corrected misstatements	There were some misstatements in the accounts that were corrected by management. None of these were material.
Other significant issues	We reported one additional issue to the Audit Committee as a result of our audit. This related to the payment of bonus payments to several independent members contrary to a Welsh Government pay circular. The Trust has since taken action to recover these payments.

- 23 I also undertook a review of the Whole of Government Accounts return. I concluded that the counterparty consolidation information was consistent with the Trust's financial position as at 31 March 2022 and the return was prepared in accordance with the Treasury's instructions.
- 24 My separate audit of the charitable funds financial statements is complete. The accounts were certified on 25 January 2023 prior to the Charity Commission deadline of 31 January 2023.

Regularity of financial transactions

- 25 The Trust's financial transactions must be in accordance with the authorities that govern them. It must have the powers to receive the income and incur the expenditure. Our work reviews these powers and tests that there are no material elements of income or expenditure which the Trust does not have the powers to receive or incur.
- 26 The Trust incurred expenditure on NHS clinicians' pension tax liabilities, which I deem to be outside its powers to spend, so I issued a qualified opinion on the regularity of the financial transactions within the Trust's 2021-22 accounts. The Trust's accounts included £0.337million of expenditure and funding in respect of clinicians' pension tax liabilities. The amounts were included following a Ministerial Direction issued on 18 December 2019 to the Permanent Secretary of the Welsh Government. The Ministerial Direction was required because this arrangement could be viewed by HMRC to constitute tax planning and potentially tax avoidance, hence making the expenditure irregular. Managing Welsh Public Money specifically states that "public sector organisations should not engage in...tax evasion, tax avoidance or tax planning". A Ministerial Direction does not make regular what would otherwise be irregular. Alongside my audit opinion, I placed a substantive report on the Trust's accounts to highlight the NHS clinicians' pension tax liabilities issue.
- 27 I have the power to place a substantive report on the Trust's accounts alongside my opinions where I want to highlight issues. Where the Trust fails one of its financial duties – to break-even over a three-year period and to have an approved three-year plan in place – or my opinion is qualified, I will issue a substantive report.
- 28 The Trust met its financial duties in 2021-22, reporting a small surplus of £41,000 at the end of the financial year. The Trust also achieved its statutory financial duty to achieve break-even over a three-year rolling period (2019-20 to 2021-22), reporting an overall three-year surplus of £103,000. My opinion, however, was qualified regarding the NHS clinicians' pension tax issue, so I issued a substantive report setting out the details.

Arrangements for securing efficiency, effectiveness, and economy in the use of resources

- 29 I have a statutory requirement to satisfy myself that the Trust has proper arrangements in place to secure efficiency, effectiveness, and economy in the use of resources. I have undertaken a range of performance audit work at the Trust over the last 12 months to help me discharge that responsibility. This work has involved:
- reviewing the effectiveness of the Trust's quality governance arrangements;
 - and

- undertaking a structured assessment of the Trust's corporate arrangements for ensuring that resources are used efficiently, effectively, and economically.

30 My conclusions based on this work are set out below.

Quality governance arrangements

31 My review examined whether the organisation's governance arrangements support delivery of high quality, safe and effective services. The review focused on both the operational and corporate approach to quality governance, organisational culture and behaviours, strategy, structures and processes, information flows and reporting.

32 My work found **that significant progress has been made to improve the Trust's quality governance arrangements**. There are opportunities for improvement as set out in the paragraphs below.

33 The Trust has approved a new Quality and Safety Framework. It sets out the arrangements through which the Trust will meet its quality and safety responsibilities from floor to Board, clarifies roles and responsibilities, and sets out the ambition to ensure learning and improvement are embedded. The Trust has set out ambitious quality priorities and has appropriate arrangements to monitor delivery. However, quality priorities are not specific or time-bound, and thus do not easily allow assessment of whether they have been achieved.

34 Good progress has been made to improve the Trust's risk management arrangements. However, the Trust should ensure that risk reports provided for monitoring and scrutiny at all levels include the necessary detail to enable good scrutiny and challenge. The Board and its committees also need to ensure they scrutinise the Trust's progress in addressing gaps in controls and assurances of strategic risks. Furthermore, opportunities exist to improve the scrutiny of risks appearing in risk registers, both operationally and by the Board's committees.

35 The Trust's reporting of clinical audit has improved, although opportunities remain to demonstrate how learning is being embedded. The Trust has also made good progress in implementing the requirements of the Medical Examiner Service.

36 The Trust has a well-established Values and Behaviour Framework which encourages an open and learning culture. The Trust's compliance with statutory and mandatory training is good but has been impacted by the pandemic. The Trust demonstrates a strong commitment to learn from service user and staff experiences. There are good arrangements to collect service user feedback, which have been enhanced by an electronic system to collect real time feedback and a new patient engagement strategy for cancer services. There is a culture of staff feeling able to raise concerns; however, some staff are concerned that the Trust will not act in response to concerns.

37 The new Quality and Safety Framework has enabled the Trust to clarify the operational quality and safety governance structures and flows of assurance

required to support quality governance. The identified resources for quality governance are appropriate, and the Trust has plans in place to address gaps in resources. The agendas of Quality, Safety, and Performance Committee meetings are becoming more manageable and focussing on key matters. However, the timeliness of some data and information does not always support effective scrutiny.

Structured assessment

- 38 My 2022 structured assessment work took place at a time when NHS bodies were not only continuing to tackle the challenges presented by COVID-19 but were also seeking to recover and transform services to respond to the significant numbers of people who are waiting for treatment and improve population health.
- 39 My team focussed on the Trust's corporate arrangements for ensuring that resources are used efficiently, effectively, and economically, with a specific focus on the organisation's governance arrangements; strategic planning arrangements; financial management arrangements; and arrangements for managing the workforce, digital assets, the estate, and other physical assets. Auditors also paid attention to progress made to address previous recommendations.

Governance arrangements

- 40 My work considered the Trust's governance arrangements, with a particular focus on:
- Board and committee effectiveness;
 - the extent to which organisational design support supports good governance; and
 - key systems of assurance.
- 41 My work found that **the Trust has good governance and leadership arrangements, supported by improving systems of assurance.**
- 42 The Trust's governance arrangements enable the Board and its committees to conduct their business effectively. Whilst the Board remains committed to openness and transparency, opportunities remain to improve the public availability of key papers and documents. There is good cross-referral of matters between committees and from committees to the Board. The quality of papers prepared for Board and committee meetings is improving, with reports beginning to draw attention more concisely to key matters for escalation or assurance.
- 43 The Trust has a stable Executive Team and organisational structure. Independent and Executive Board members continue to have a healthy relationship, which in turn facilitates informal and formal flows of information. Independent Members offer a good balance of challenge and support. Whilst corporate governance and risk management resources are lean, the Trust believes that current capacity, and also taking into account the plan for enhancing resourcing in 2023-4, is adequate. The

Trust continues to provide good Board training and development opportunities, and the Board actively pursues opportunities for self-reflection and improvement.

- 44 There has been extensive activity to renew and strengthen sources of assurance. The Trust's Assurance Framework is underpinned by appropriate risk management and performance management arrangements, which continue to develop and improve. The Trust has effective arrangements for overseeing information governance at a committee-level, but some operational arrangements require improvement. The Trust has also made a number of improvements to its arrangements for tracking internal and external audit recommendations.

Strategic planning arrangements

- 45 My work considered the Trust's strategic planning arrangements, with a particular focus on the organisation's:
- vision and strategic objectives;
 - Integrated Medium-term Plan;
 - planning arrangements; and
 - arrangements for implementing and monitoring the delivery of corporate strategies and plans.
- 46 My work found that **the Trust has a clear strategic intent supported by good planning and stakeholder engagement arrangements. However, opportunities exist to enhance delivery reporting arrangements.**
- 47 The Trust's vision and strategic goals are clearly set out in its new ten-year strategy, 'Destination 2023'. The ten-year strategy is supported by a series of enabling strategies which focus on sustainability, people, digital, and estates. Collectively, they set a clear direction of travel for the organisation. The Trust produced a financially balanced Integrated Medium-Term Plan (IMTP) for 2022-25, which was approved by Welsh Government. The Board was actively involved in shaping and scrutinising the 2022-25 IMTP prior to formally approving and submitting it to Welsh Government.
- 48 The Trust has effective arrangements in place to oversee the development of corporate plans and strategies. The Trust is also effective at involving internal and external stakeholders in developing corporate strategies and plans. Whilst the 2022-25 IMTP sets out clear objectives and actions, the Trust needs to set out what successful delivery of the strategic priorities set out in the 2022-25 IMTP plans will look like, the outcomes it wants to achieve, and how these will be measured. The Trust has reasonably effective arrangements for reporting delivery of corporate plans and strategies. However, there is scope for reports to provide greater assurance to the Board that the Trust is taking appropriate action when delivery is off-track.

Managing financial resources

- 49 My work considered the Trust's arrangements for managing its financial resources, with a particular focus on the organisation's:
- arrangements for meeting key financial objectives;
 - financial controls; and
 - arrangements for reporting and monitoring financial performance.
- 50 My work found that **the Trust has effective arrangements for managing its financial resources but faces several risks to maintaining financial sustainability in the medium- to long-term.**
- 51 The Trust's arrangements for securing financial balance are good. The Trust met its financial objectives to breakeven in 2021-22 and over a three-year rolling period (2019-20 to 2021-22). The Trust is forecasting an overall breakeven position for 2022- 23. The Trust has a good understanding of its cost pressures which are clearly set out in its Strategic Financial Plan. However, these cost pressures alongside wider workforce costs and increased service demand may impede the Trust's ability to maintain financial sustainability in the medium- to long-term.
- 52 The Trust continues to have good controls for managing the use of its financial resources, with good reporting to the Audit Committee on procurement, losses, special payments, and counter-fraud matters. The Trust has good arrangements for monitoring and reporting financial performance. Finance reports provide timely and high-quality information, and support effective Board-level oversight, scrutiny, and challenge.

Managing the workforce, digital resources, the estate, and other physical assets

- 53 My work considered the Trust's arrangements for managing its wider resources, with a particular focus on the organisation's:
- arrangements for supporting staff wellbeing;
 - arrangements for managing its digital resources; and
 - arrangements for managing its estate and other physical assets.
- 54 My work found that **the Trust has clear plans in place to support staff well-being, harness the benefits of digital, and improve its estate. However, arrangements for monitoring and reporting on their outcomes require strengthening, particularly in relation to staff well-being and digital.**
- 55 Supporting staff well-being is a clear priority for the Trust. It has good arrangements in place to support the mental, physical, and financial well-being of staff. Whilst the Trust captures, monitors, and reports a range of staff related well-being activity, its arrangements for measuring and reporting the effectiveness of its well-being interventions require strengthening.

- 56 The Trust has a clear digital vision, which is set out in its Board-approved Digital Strategy. The strategy clearly sets out how digital technology and insight can support the drive to continually improve the quality, safety, experience, and outcomes of services to meet the ambitions described in the Trust's wider ten-year strategy. There is good Board-level reporting on key digital projects and programmes and significant IT business continuity incidents. Whilst reports provide a good overview of progress, they do not provide an assessment of what difference digital projects and programmes are making, whether they are sufficiently resourced, and if digital is enabling wider service improvement as intended.
- 57 The Trust has a clear vision for its estates, which is set out in its Board-approved Estates and Sustainability Strategies. The Trust has an established process for prioritising competing capital cases, and the Board routinely receives business cases relating to significant capital projects and programmes for review, scrutiny, and approval. The Trust has effective arrangements in place for the Board and its committees to maintain appropriate oversight of matters relating to the estate in terms of health and safety, fire safety, and environmental and statutory compliance. However, the Trust has an aging estate to manage in terms of the current Velindre Cancer Centre and there is a programme of work to upgrade Welsh Blood Service facilities. Significant preparatory work towards building the new Velindre Cancer Centre is now being progressed. There will be a challenge, in the short- to medium-term, to achieve an appropriate balance between maintaining the existing estate whilst investing in the future estate.

Appendix 1

Reports issued since my last annual audit report

Exhibit 2: reports issued since my last annual audit report

The following table lists the reports issued to the Trust in 2022.

Report	Date
Financial audit reports	
Audit of Financial Statements Report	13 June 2022
Opinion on the Financial Statements	13 June 2022
Audit of Accounts – Addendum Report	19 July 2022
Charitable Funds – Audit of Financial Statements Report	19 January 2023
Performance audit reports	
Review of Quality Governance Arrangements	August 2022
Structured Assessment 2022	January 2023
Other	
2022 Audit Plan	April 2022

My wider programme of national value for money studies in 2022 included reviews that focused on the NHS and pan-public-sector topics. These studies are typically funded through the Welsh Consolidated Fund and are presented to the Public Accounts

Committee to support its scrutiny of public expenditure. Reports are available on the [Audit Wales website](#).

Exhibit 3: performance audit work still underway

There are a number of performance audits that are still underway at the Trust. These are shown in the following table, with the estimated dates for completion of the work.

Report	Date
Review of workforce planning arrangements	March 2023
2022 Local Work	TBC

Appendix 2

Audit fee

The 2022 Audit Plan set out the proposed total audit fee of £238,783 (excluding VAT). My latest estimate of the actual fee is in keeping with the fee set out in the outline.

In addition to the fee set out above, the audit work undertaken on the shared services provided to the Trust by the NHS Wales Shared Services Partnership cost £2,154.

Appendix 3

Audit of accounts risks

Exhibit 4: audit of accounts risks

My 2022 Audit Plan set out the risks for the audit of the Trust's 2021-22 accounts. The table below lists these risks and sets out how they were addressed as part of the audit.

Audit risk	Proposed audit response	Work done and outcome
<p>Management Override The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.31-33].</p>	<p>The audit team will:</p> <ul style="list-style-type: none">• test the appropriateness of journal entries and other adjustments made in preparing the financial statements;• review accounting estimates for biases; and• evaluate the rationale for any significant transactions outside the normal course of business.	<p>Planned audit work completed and no issues arising.</p>
<p>Inventory balance Our 2020-21 audit opinion was qualified as we did not attend any of the Trust's stock takes. The Trust, through NWSSP, continue to have an integral role in procuring and distributing Personal Protective Equipment, particularly to NHS Wales bodies and social care providers,</p>	<p>We will attend a number of stock counts at a number of the stores facilities operated by the Trust and develop additional audit procedures to obtain assurance that the inventory balance within the financial statements is materially correct.</p>	<p>Various audit procedures were undertaken, including attending a number of stock counts, and sufficient assurance was obtained upon both the year-end inventory balance.</p>

Audit risk	Proposed audit response	Work done and outcome
<p>in response to the pandemic. Whilst a reduction in the year-end inventory balance is expected within the 2021-22 financial statements the value of the stock holdings will continue to be material. A number of related audit risks exist, particularly in regard to our need to obtain sufficient audit assurance upon:</p> <ul style="list-style-type: none"> • the 2021-22 opening inventory balance; • the 2021-22 stock taking arrangements and final inventory balance; • stock donations to assist countries and the associated accounting treatment; and • any valuation adjustments concerning obsolete or slow-moving stock have been appropriately considered in calculating the year-end balance. 		
<p>NHS pension tax liabilities The implementation of the 'scheme pays'</p>	<p>We will review the evidence one year on around the take-up of the scheme and the need for</p>	<p>The Trust included a provision of £377,000 relating to NHS Clinicians' pension tax liabilities. This</p>

Audit risk	Proposed audit response	Work done and outcome
<p>initiative in respect of the NHS pension tax arrangements for clinical staff is ongoing. Last year we included an Emphasis of matter paragraph in the audit opinion drawing attention to your disclosure of the contingent liability. Applications to the scheme will close on 31 March 2022, and if any expenditure is made in-year, we would consider it to be irregular as it contravenes the requirements of Managing Welsh Public Money. This would then result in the qualification of our regularity opinion.</p>	<p>a provision, and the consequential impact on the regularity opinion.</p>	<p>was deemed to be outside the Trust's powers and so a qualified regularity opinion was issued.</p>
<p>Break even duty NHS Trusts have a financial duty to break even over a three-year rolling period. Although the Trust is forecasting a break-even position, this duty increases the risk that management judgements and estimates included in the financial statements could be biased in help achieve this financial duty. Where the Trust fails this financial duty, I will place a substantive</p>	<p>The audit team will focus its testing on areas of the financial statements which could contain reporting bias.</p>	<p>The Trust achieved its break-even duty – no issues arising.</p>

Audit risk	Proposed audit response	Work done and outcome
report on the financial statements highlighting the failure.		
<p>Capital expenditure The Trust has purchased Matrix House during 2021-22 and expenditure has continued to be incurred in relation to construction of the new Velindre Cancer Centre. There is a risk that the related capital expenditure has not been appropriately accounted for within the financial statements.</p>	<p>We will monitor the position as part of our ongoing audit work and review the accounting treatment within the financial statements.</p>	<p>No issues arising.</p>
<p>NHS Wales Informatics Service / Laundry There have been two significant changes in regard to the functions hosted by the Trust during 2021-22. NHS Wales Informatics Service transferred from the Trust to form Digital Health and Care Wales on 31 March 2021, and laundry functions have transferred to the Trust from a number of Health Boards.</p>	<p>We will review the accounting treatment and disclosures in relation to these transfers.</p>	<p>No issues arising.</p>

Audit risk	Proposed audit response	Work done and outcome
<p>IFRS16 Introduction of IFRS 16 Leases has been deferred until 1 April 2022. There may be considerable work required to identify leases and the COVID-19 national emergency may pose additional implementation risks. The 2021-22 accounts will need to disclose the potential impact of implementing the standard.</p>	<p>We will review the completeness and accuracy of the disclosures.</p>	<p>No issues arising.</p>
<p>Covid 19 There continues to be increased funding streams and expenditure in 2021-22 to deal with the COVID-19 pandemic. These could have an impact on the risks of misstatement and the shape and approach to our audit.</p>	<p>We will identify the key issues and associated risks and plan our work to obtain the assurance needed for our audit.</p>	<p>No issues arising.</p>
<p>Covid-19 – qualitative issues Although COVID-19 restrictions have now been removed, there have been ongoing pressures on staff resource and of remote working that may impact on the preparation, audit and publication of</p>	<p>We will discuss your closedown process and quality monitoring arrangements with the accounts preparation team and make arrangements to monitor the accounts preparation process. We will help to identify areas where there may be gaps in arrangements.</p>	<p>The draft accounts and supporting working papers were of good quality. Neither were any material adjustments made to the financial statements as a result of our audit.</p>

Audit risk	Proposed audit response	Work done and outcome
<p>accounts. There is a risk that the quality of the accounts and supporting working papers may be compromised leading to an increased incidence of errors. Quality monitoring arrangements may be compromised due to timing issues and/or resource availability.</p>		



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