

Agenda item 3.iii

Report to:	Board of Directors	Date: 7 December 2023
Report from:	Chair of the Audit Committee	
Principal Objective/ Strategy and Title	GOVERNANCE: To update the Board of Directors on discussions at the Extraordinary Audit Committee meeting on 28 November 2023	
Board Assurance Framework Entries	FSRA BAF (Unable to maintain financial, operational, and clinical sustainability)	
Regulatory Requirement	Regulator licensing and Regulator requirements	
Equality Considerations	Equality has been considered but none believed to apply	
Key Risks	Non-compliance resulting in financial penalties	
For:	Information	

1. Significant issues of interest to the Board

Summary

Due to an error found in the accounts prior to final sign off, the 2022/23 Charity Accounts and Reports were re-presented with the External Auditors, KPMG, having no further issues with the accounts. The Committee is happy to recommend to the Board of Trustees to approve the Charity Annual Report and Accounts at its next meeting on the 7 December 2023.

Charity Annual Accounts and Report for 2022/2023

The Committee was re-presented with a revised set of accounts to the one presented at the 10 October 2023 Audit Committee meeting. The draft Charity Annual Report and Accounts have been amended to reflect an increase in the value of legacy income accrued at the year end and also to correct the value of the Charity running costs recharged from Royal Papworth Hospital.

The impact on the 2022/23 Charity Accounts is:

- Income – an increase to legacy income of £161,748
- Expenditure – an increase to expenditure of £71,930
- An increase in debtors and creditors as above

The overall impact is an increase in the fund balances of £89,818.

The other change to the accounts from the last set presented to the Audit Committee is in the uncorrected misstatement relating to the calculation of staff recharges against the Compassionate and Collective Leadership project (CCLP).

The unadjusted projected misstatement in the ISA 260 of £12k is an extrapolated figure against an actual error of £100. The misstatement now shows that there is a nil effect on the income and expenditure and balance sheet whereas previously it had shown a £12k impact if the adjustment had been made on both parts of the accounts. The Audit Committee is comfortable with the current presentation of the misstatement.

KPMG told the Committee that the audit for the Charity's Annual Accounts and Reports is substantially complete except for some tasks that can only be completed at the end of the process such as final review and sign off the accounts, finalise audit report and , management letter. There is no reason at this point not to expect an unmodified Auditor's Report on the financial statements.

The Committee is happy to recommend to the Board of Trustees to approve the Charity Annual Report and Accounts at its next meeting on the 7 December 2023. The deadline for submission of Charity Annual Report and Accounts to the Charity Commission is 31 January 2024.

Due to the extra work that had to be carried the audit fees for the Charity Accounts has been increased by £900. This now makes the total cost £14,500. In discussion at the meeting it was concluded that this was a reasonable increased cost.

Therefore the Committee would recommend to the Board of Trustees to approve the increased costs of £900.

2. Key decisions or actions taken by the Audit Committee

- Approval of 2022/2023 Charity Annual Accounts and Report for sign off by the Board of Trustees.
- Approval of the increased costs for the 2022/23 Audit work by the Board of Trustees.

3. Recommendation

The Board is asked to note the report.