



KPMG LLP
Audit
15 Canada Square
London
E14 5GL

Tel: 020 7311 1379
Email: neil.thomas@kpmg.co.uk

Henry Black
Chief Finance Officer
2nd Floor, Alderney Building
Mile End Hospital
Bancroft Road
London E1 4DG

Our ref Tower Hamlets CCG
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To the Members of the Governing Body of Tower Hamlets Clinical Commissioning Group

Annual Audit Letter 2014/15

We are pleased to submit our annual audit letter which summarises our 2014/15 audit for Tower Hamlets CCG (“the CCG”). It summarises the key issues arising from our 2014/15 audit at the CCG. Although this letter is addressed to the Members of the Governing Body of the CCG it is also intended to communicate the issues arising from the audit of the CCG to external stakeholders, such as members of the public. It is the responsibility of the CCG to publish this letter on the CCG’s website. A copy of this Letter will be published on the PSAA’s website at <http://www.psa.co.uk/audit-reports/annual-audit-letters/>

Scope of our 2014/15 audit

The statutory responsibilities and powers of appointed auditors, applicable to 2014/15 audits, are set out in the Audit Commission Act 1998. Our main responsibility is to carry out an audit that meets the requirements of the Audit Commission’s Code of Audit Practice (“the Code”). Although the Audit Commission formally closed at the end of March 2015¹, the Audit Commission Act and Audit Commission’s Code of Audit Practice remain applicable to 2014/15 audits.

On 26 May 2015 we presented our *ISA 260 Audit Highlights Memorandum* to the Audit Committee which summarised our conclusions from the 2014/15 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 regularity opinion and opinion on the CCG’s 2014/15 financial statements on 28 May 2015, meeting the Department of Health’s deadline of 29 May; and
- concluded that there were no matters arising from our use of resources work that we need to report for the year ending 31 March 2015.

¹ Following the closure of the Audit Commission, the National Audit Office is now responsible for producing and maintaining the Code of Audit Practice and providing supporting guidance to auditors. Further, from 1 April 2015, the Public Sector Audit Appointments Limited (PSAA), an independent company established by the Local Government Association, will oversee the management of the Audit Commission’s audit contracts until they end in 2017, or 2020 if they are extended.

Public Interest Reporting

We have a responsibility to consider whether there is a need to issue a public interest report or whether there are any issues which require referral to the Secretary of State. There were no matters in the public interest that we needed to report or refer to the Secretary of State in 2014/15.

Key findings

The CCG has generally sound processes in place for the production of the accounts and in relation to use of resources. We did raise one high priority recommendation and two medium priority recommendations. These are detailed within our ISA260 report to those charged with governance. We raised one high priority recommendation in relation to the retention of supporting documentation: our sample testing identified one journal that could not be supported by backing documentation. The documentation had been overwritten with supporting documentation for a different journal relating to a later month. Although we were able to verify the legitimacy of the journal posting, we recommended that the CCG and Commissioning Support Unit (CSU) review their journal retention process to ensure supporting documentation is always retained.

Fees

Our fee for the 2014/15 external audit was £ 79,500 excluding VAT. This was in line with the fee agreed at the start of the year with the CCG's Audit Committee.

We did not provide any non-audit services or other audit related services in 2014/15.

Closing remarks

We have discussed and agreed this letter with the Chief Finance Officer of the CCG and confirmed that all Members of the Governing Body of the CCG have received a copy. We would like to thank the finance team, the chief officers and the Audit Committee for their support and cooperation throughout the 2014/15 audit.

Yours sincerely

Neil Thomas
Partner