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NHS Trust

Imperial College Healthcare NHS Trust

Annual Audit letter for the year ended 31 March 2020

Issued 01 July 2020

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Contents

Introduction and Executive Summary

Purpose of this letter

We have pleasure in setting out in this Annual Audit Letter to the directors of the Trust the main findings and conclusions from our external audit work for Imperial College Healthcare NHS Trust ("the Trust") for the year ended 31 March 2020.

This annual letter summarises the key matters arising from the work that we have performed related to the year ended 31 March 2020. The letter is addressed to Imperial College Healthcare NHS Trust but it also serves the purpose of communicating the key findings identified during the audit process to key external stakeholders and members of the public. This letter will be published on the Trust's website.

This summary sets out the key matters which we would like to bring to your attention.

Key area	Description	Further information
Financial statement audit	We issued our audit opinion on the financial statements on 24 June 2020. Our opinion was not qualified. The audit was completed within the designated timeframe which was extended due to Covid-19. Whilst our opinion reported that the financial statements were true and fair, our audit report drew attention to a material uncertainty noted in relation to property valuations as a result of Covid-19. Such a valuation uncertainty is a common feature of valuation reports prepared for NHS bodies and other entities by external valuers with a date of 31 March 2020. We note that our 2019/20 audit report wording does not include a paragraph drawing the users attention to material uncertainty with regard to going concern as it did in the 2018/19 and 2017/18 audit reports. The audit report specifically notes no issues with regard to the going concern assessment. There is more information on this change in the going concern section on page 11 below. Audit materiality was set at £15.3m (based on 1.25% of total forecast expenditure). We reported any misstatements in excess of £300k to the Audit, Risk and Governance Committee. The Trust does not have any subsidiary entities, so consolidated accounts are not required.	**Section 1**
Value for money	We are required to issue a value for money ("VfM") conclusion within our report on the financial statements. We are required to base our VfM conclusion on criteria specified by the National Audit Office ("NAO") where we are required to be satisfied that proper arrangements have been made to secure economy, efficiency and effectiveness in the use of resources. Our assessment is based on the following reporting criterion: "In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people." The following sub-criteria are then used to inform and guide our work and inform our overall judgement although there is no requirement to separate these nor to report against each sub-criteria:	**Section 2**

Key area	Description	Further information
	• Sustainable resource deployment • Working with partners and other third parties. Our opinion in this respect was qualified as we were not able to satisfy ourselves that proper arrangements were in place for planning finance effectively to support the sustainable delivery of the Trust's key objectives. Predominantly, this conclusion is linked to issues with the Trust's estate where additional external funding is needed to address issues. Financial performance with regard to operational results has continued to improve. The basis for our conclusion in the audit opinion was reported as follows: *"As disclosed in Note 1.1.2 to the Financial Statements, the Annual Governance statement and the Chief Financial Officer's statement, whilst the Trust's financial performance and position have been on an improvement trajectory, there continue to be significant risks to the organisation's financial sustainability predominantly linked to the estate. The Annual Governance statement discloses the key risk to financial sustainability as the condition of the Trust's estate.* *During the 2019/20 period, there continued to be evidence of weaknesses in arrangements over financial sustainability linked to the estate. Whilst financial targets have been delivered, the Trust is not in a position to generate sufficient surplus in order to maintain the condition of its estate such that it can deliver its strategic priorities without external funding. The Trust continues to have a significant backlog maintenance requirement. The ongoing deterioration creates a material risk of an estate failure that would negatively impact the ability of the Trust to deliver its strategic priorities.* *This is evidence of weaknesses in the proper arrangements for securing economy, efficiency and effectiveness in sustainable resource deployment, including its ability to plan finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions."* Our 2017/18 and 2018/19 VFM conclusions noted specific exceptions in relation to NHS Improvement enforcement undertakings that were in force. These undertakings were lifted in October 2019, based on arrangements that the Trust had in place throughout the period, and therefore this matter was not reported as an issue in our VFM reporting for 2019/20.	
Audit Certificate	We issued our audit Certificate on 24 June 2020 confirming completion of the audit work, including our reporting to the National Audit Office (NAO) in relation to the Whole of Government Accounts (WGA).	**Not applicable**
Quality accounts	Due to measures taken as a result of the outbreak of Covid-19, assurance requirements on the Quality Accounts were suspended for the 2019/20 period. The Trust is still required to meet reporting requirements in this area, but we have performed no assurance work on the data reported.	**Not applicable**

Key area	Description	Further information
Independence and Objectivity	An analysis of audit fees for the year ended 31 March 2020 is shown in the appendices to this letter. In our professional judgement the policies and safeguards in place ensure that we are independent within the meaning of all regulatory and professional requirements and that the objectivity of the audit partner and audit staff is not impaired.	**Appendix 1**
Responsibilities of the auditor and the Trust	It is the responsibility of the Trust to ensure proper arrangements, processes and controls are in place for the conduct of its business, that public money is safeguarded and properly accounted for and that the financial statements accurately reflect financial position and performance. Our responsibility is to plan and execute an audit that meets requirements of the NAO's Code of Audit Practice. We evaluate and report on: • The Trust's financial statements • Whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are also required to review and report on the annual report, annual governance statement, remuneration and staff report and the accounts consolidation schedules. In our work on the above areas, we target aspects which are relevant to our responsibilities, aspects which involve significant amounts of public money and on the basis of our assessment of the key risks to the Trust achieving its objectives.	**Not applicable**

Section One – Audit of the financial statements

We issued an unqualified opinion on the Trust's accounts on 24 June 2020. Our opinion confirmed that the financial statements gave a true and fair view of the Trust's financial position and of the income and expenditure recorded by the Trust for the year ended 31 March 2020. Our audit report also included an emphasis of matter to draw attention to management's disclosures of material valuation uncertainty with respect to land and buildings.

Before we give our opinion on the financial statements, we are required to report to the Trust's Audit Committee significant matters arising from the audit. A detailed report was presented to the Trust's Audit Committee on 11 June 2020, followed up with a report issued on 24 June 2020. Set out below is a summary of the points issued in our report to the Audit Committee.

Materiality

Our application of materiality	We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work. Based on our professional judgement, we determined materiality for the financial statements as a whole as £15.3m (2018/19: £14.5m). The basis of this was a 1.25% rate against total forecast expenditure for the year, consistent with the basis used in the prior year. This benchmark was chosen as the Trust is a non-profit organisation and total expenditure is a key measure of financial performance for users of the financial statements. We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £300k, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.
Audit differences	We detected a number of misstatements during the audit that remained uncorrected at the time of reporting. The majority of these related to classification items. The overall impact on the Trust's deficit/surplus was a £189k net increase, and on net assets was a £189k decrease.

Scope

Scope of the audit of the financial statements	Our audit was scoped by obtaining an understanding of the Trust and its environment, including internal controls, and assessing the risks of material misstatement at Trust level. Audit work was performed at the interim stage with the team based at the Trust's main site at St Mary's hospital directly by the audit engagement team, led by the audit partner. At the final stage, due to the impact of Covid-19 and the associated guidelines, the audit was conducted completely remotely with the engagement team and client team using collaborative working technology to facilitate the work required, led by the audit partner. The audit team included integrated Deloitte specialists bringing specific skills and experience in property valuations and information technology systems.
Other information	The accounting officer is responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We had nothing to report in respect of these matters
Responsibilities of accounting officer	As explained more fully in the accounting officer's responsibilities statement, the accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the accounting officer is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.
Auditor's responsibilities for the audit of the financial statements	Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Work performed on the significant financial statement risks

<table>
<tr><th>Significant risk</th><th>Description and work performed</th><th>Conclusion</th></tr>
<tr><td>Property Valuations</td><td>
The Trust held £379.9m of property assets (land and buildings) at 31 March 2019, which had increased to £423.5m at 31 March 2020. The Trust performed a full revaluation of the estate as at 31 March 2020. The Trust is required to hold property assets within Property, Plant and Equipment at a modern equivalent use valuation. The valuations are by nature significant estimates which are based on specialist and management assumptions and which can be subject to material changes in value. The Trust has used the same valuer (Avison Young – a trading name of GVA Grimley) this year for the revaluation as the prior year.
The Trust’s revaluation has increased land values by £5m (6.3%), and, taken with additions and depreciation, increased buildings by £38.6m (12.8%). The valuation impact on the Public Dividend Capital (PDC) payable is therefore not highly significant being under £1m per annum in future years.
Response

We tested the design and implementation of key controls in place around the property valuation.
We engaged early with the Trust, using our valuation specialists to challenge the assumptions applied by management in the valuations.
We used our valuation specialists, Deloitte Real Estate, to review and challenge the appropriateness of the assumptions used in the year-end valuation of the Trust’s Land and Buildings
We noted that the 31 March 2020 valuation process was impacted by the Covid-19 outbreak towards the end of March. The valuer, following RICS guidance, declared a “material uncertainty” in the valuation report. The valuer has based the 31 March 2020 results on the best information available and the results provided have given a valid measurement basis for the assets values disclosed in the financial statements. However, due to the unprecedented circumstances at 31 March 2020, there are elements of this that are uncertain and that cannot be quantified. As noted earlier, this led to the inclusion of an Emphasis of Matter paragraph in the audit report. We note that this is a common feature across 31 March 2020 valuations, both in the NHS sector and more widely. The wording of the paragraph in our audit report is as follows:
We draw attention to note 1.2.1.1, which describes the effects of the uncertainties created by the coronavirus (Covid-19) pandemic on the valuation of the trust’s estate. As noted by the trust’s external valuer, the pandemic has caused extensive disruptions to businesses and economic activities and the uncertainties created have increased the estimation uncertainty over the valuation of properties at the balance sheet date. Our opinion is not modified in respect of this matter.
Note 1.2.1.1 in the accounts discloses:
The valuation exercise was carried out in February 2020 with a valuation date of 31 March 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 (‘Red Book’), the valuer has declared a material valuation uncertainty in the valuation report. This is on the basis of uncertainties in markets caused by the Covid-19 outbreak which was declared by the World Health Organisation as a global pandemic on 11 March 2020. This has impacted market activity across

</td><td>Testing was satisfactory.</td></tr>
</table>

Significant risk	Description and work performed	Conclusion
	many sectors and is not specific to the Trust. The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust. As at the valuation date, the valuer considered they could attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Due to the unprecedented set of circumstances on which this judgement is based, the impact could not be quantified. In line with the recommendation of our valuer, management will keep the valuation of assets impacted under frequent review.	
Recognition of NHS Revenue	The risk of fraud in revenue recognition is a presumed risk under International Standards on Auditing. For our NHS clients, we typically specify this significant risk as the risk that a Trust has recorded revenue that is not valid, accurate or valued appropriately. As with the majority of our NHS Trust and Foundation Trust audit clients, for the Trust we consider this risk to be greater (and therefore identified as a significant risk) for the NHS revenue that has been recognised in the year but that is yet to be settled by commissioners. This typically includes Commissioning for Quality and Innovation (CQUIN) income and Q3-Q4 over-performance. These elements of unsettled revenue can involve management judgement and estimation, including management consideration of any unresolved commissioner challenges. **Response** • We updated our understanding of the Trust’s processes for recording and reporting revenue, and tested the design and implementation of controls related to contractual disputes, over- and under- performance and unsettled revenue. • Where we identified significant management estimates that involved significant judgement in respect of recognition of unsettled revenue (for example in relation to provisions over such revenues), we tested the design and implementation of the Trust’s controls around the preparation and review of those estimates. • We requested and received, from management, a schedule of unresolved commissioner challenges and discussed those challenges, and the associated judgements used in estimating unsettled revenue amounts, with contract managers and relevant senior members of the Trust’s finance team. We challenged management’s assumptions and we corroborated management explanations to documentary evidence, such as correspondence with commissioners, activity records and minutes of relevant meetings. Where relevant, we also considered the Trust’s history of settling similar matters. • We selected a sample of differences between the amounts that the Trust reported as receivable from commissioners, and the amounts that commissioners reported that they owed the Trust, in the agreement of balances (“mismatch”) report. For this sample, we sought explanations from management for the variances together with documentary evidence to corroborate those explanations. • We have reviewed and challenged the completeness and valuation of provisions held against NHS receivables.	**Testing was satisfactory**

Significant risk	Description and work performed	Conclusion
Other provisions	The total provision disclosed in the "other category" in Note 21 as at 31 March 2019 was £33.2m and has been maintained at this level for the 2019/20 accounts. Provisions involve significant management estimates and judgements, and present a significant risk of material misstatement. We also consider the adequacy of the disclosures in this area. **Response** • We tested the design and implementation of key controls in place around management's key estimates in relation to provisioning for property related matters. • We engaged early with the Trust, and involved appropriate Specialists to provide support in understand and challenge the work of management's expert in this area. • We tested management's key estimates and judgements in this area, both looking at the position as at 31 March 2020, and applying a "hindsight" test to the position as at 31 March 2019. • We considered whether the reasonableness of these estimates suggested any indication of management bias, and the overall implications for the Trust. This work was in conjunction with our work on the management override risk as outlined below.	**Testing was satisfactory**
Management override of controls	In accordance with ISA 240 (UK and Ireland) management override is a significant risk. This risk area includes the potential for management to use their judgement to influence the financial statements as well as the potential to override the Trust's controls for specific transactions. The key judgments in the financial statements are those which we have selected to be the significant audit risks revenue recognition and valuation of the Trust's estate. These are inherently the areas in which management has the potential to use their judgment to influence the financial statements. In 2019/20, revenue continued to include aspects of funding which were dependant on the Trust meeting certain financial performance requirements. This increased the significance of the year-end result. We noted there could be incentive to manipulate reporting in order to achieve certain results in order to ensure additional funding is received. **Response** **Journals** • We performed testing of the design and implementation of key controls over journals, significant management estimates and unusual transactions. • We risk assessed journals and selected items for detailed follow up testing. The journal entries were selected using computer-assisted profiling based on areas which we consider to be of increased interest. • We tested the appropriateness of journal entries recorded in the general ledger, and other adjustments made in the preparation of financial reporting. • We used our Spotlight data analytics software to review ledger postings throughout the year, particularly at each quarter end, with a focus on identifying any manual adjustments to revenue at the period end, or reversing entries that could be indicative of manipulation or management override.	**Testing was satisfactory**

Significant risk	Description and work performed	Conclusion
	Estimates and Judgements We reviewed accounting estimates for biases that could have resulted in material misstatement due to fraud. Judgements that we focussed on included: • Capital project accounting and asset additions; and • The valuation of provisions, including those for disputed revenues and doubtful debts (as above) We tested accounting estimates (including the judgement areas noted above), focusing on the areas of greatest judgement and value. Our procedures included comparing amounts recorded or inputs to estimates to relevant supporting information from third party sources. **Transactions outside the normal course of business** We obtained an understanding of the business rationale of significant transactions that we become aware of that were outside of the normal course of business for the entity, or that otherwise appeared to be unusual, given our understanding of the entity and its environment.	

Significant Risk	Description and work performed	Conclusion
Going Concern	In the prior year financial statements Trust highlighted the key financial pressures it is facing and the related uncertainty and we drew attention to this by including reference to the Material Uncertainty in our audit opinion. Our conclusion this year is that no such material uncertainty is required to be disclosed in the financial statements. We note management have written about certain issues related to going concern in their disclosure but these do not meet the "material uncertainty" threshold. The key driving factors behind the change in our conclusion were: • improved liquidity provision arising from operational plans (building on an already observed improvement trajectory) • changes to the cash regime including indications of increased support for Trust's with unanticipated capital expenditure • confirmation that likelihood of provision payment (see Other Provisions significant risk) within the next 12 months is remote • assurances from NHSI/E that valid direct Covid-19 related expenditure will be reimbursed Our work in this area included the following procedures: • We reviewed the Trust's financial performance in 2019/20 including its achievement of CIP in the year; • We reviewed the Trust's available cash flow and profit forecasts for the going concern period; • We held discussions with management to understand the assumptions behind the plan; • We discussed with management their conclusions around any material uncertainties and we reviewed and challenged management's disclosures in the financial statements and Annual Governance Statement relating to going concern **Extract from audit opinion wording:** ***Conclusions relating to going concern*** *We are required by ISAs (UK) to report in respect of the following matters where:* • *the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or* • *the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.* *We have nothing to report in respect of these matters.*	**Testing was satisfactory.**

Section Two – Value for money

Value for Money

We are required to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. VfM is assessed against the following criterion, and three sub-criteria (informed decision making, sustainable resource deployment, and working with partners and other third parties):

"In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people."

Our work takes account of the Annual Governance Statement and the findings of regulators. We are required to perform a risk assessment through the course of our audit to identify whether there are any significant risks to our VfM conclusion, and perform further testing where risks are identified

How the auditor's work addressed any identified significant risks

Our audit was scoped based on our knowledge of the Trust from research and audit planning procedures, relevant findings from work undertaken in support of the opinion on financial statements, attendance at Audit Committee meetings, reports from the Trust including internal audit and communications with the regulator, information disclosed or available to support the governance statement and annual report, and information available from the risk registers and supporting arrangements.

We identified the VFM risks noted below. .

VfM risk area	How the risk was addressed by our audit and any audit findings	Conclusion
NHSI Undertakings	The Trust has been under enforcement undertakings. This led to an exception reported in our 2018/19 VFM conclusion. These undertakings were lifted as indicated in a letter from the regulator in October 2019 with evidence in place from the start of the year that arrangements were in place to effectively mitigate the issues that led to the undertakings being raised.	**No exception in relation the NHSI undertakings has been reported in the 2019/20 conclusion.** **We have maintained an exception in relation to financial sustainability but this is predominantly linked to risks related to the estate. We have observed a continuing improvement trajectory in relation to operational performance.** **Our opinion is included below, which includes additional wording to reflect the improving trajectory over the year.**
Financial Sustainability	Our assessment of financial performance supported a conclusion that an exception in relation to operational performance was no longer required. A key aspect of this is that the trust continues to improve its underlying deficit and has lowered the level of reliance on potentially non-recurrent funding. However, our analysis indicated that there are still significant issues with regard to the Trust's estate. Backlog maintenance levels, the amount required to restore the estate to required standard levels, are still extremely high and there is a high ongoing risk that an unplanned estates emergency could impact capacity levels and require immediate expenditure to rectify. This equates to an inability for the trust, on its own, to manage assets in a way that maintains statutory functions and supports achievement of strategic objectives. External funding is needed to ensure that the trust can continue to adequately function.	

VfM risk area	How the risk was addressed by our audit and any audit findings	Conclusion
	Therefore, the situation regarding the estate noted in the 2018/19 exception wording persists. The exception in relation to financial sustainability is linked to issues with the estate is therefore still a relevant matter for 2019/20 reporting. We have therefore included the exception set out below in our reporting.	

Conclusion on the trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required to report to you if, in our opinion the trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Qualified Conclusion
On the basis of our work, having regard to the guidance issued by the Comptroller & Auditor General in April 2020, with the exception of the matters reported in the basis for qualified conclusion section below, we are satisfied that, in all significant respects, Imperial College Healthcare NHS Trust put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

Basis for qualified conclusion
As disclosed in Note 1.1.2 to the Financial Statements, the Annual Governance statement and the Chief Financial Officer's statement, whilst the Trust's financial performance and position have been on an improvement trajectory, there continue to be significant risks to the organisation's financial sustainability predominantly linked to the estate. The Annual Governance statement discloses the key risk to financial sustainability as the condition of the Trust's estate.

During the 2019/20 period, there continued to be evidence of weaknesses in arrangements over financial sustainability linked to the estate. Whilst financial targets have been delivered, the Trust is not in a position to generate sufficient surplus in order to maintain the condition of its estate such that it can deliver its strategic priorities without external funding. The Trust continues to have a significant backlog maintenance requirement. The ongoing deterioration creates a material risk of an estate failure that would negatively impact the ability of the Trust to deliver its strategic priorities.

This is evidence of weaknesses in the proper arrangements for securing economy, efficiency and effectiveness in sustainable resource deployment, including its ability to plan finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions.

Note 1.1.2 in the accounts discloses:

As disclosed in the annual report the Trust's estate is in a poor condition due to its age and this gives two specific causes for concern. Firstly, should the Trust miss its financial plan there is little flexibility in the capital programme to release additional cash to mitigate the shortfall. Secondly, should the level of expenditure required to maintain a safe and acceptable estate exceed that planned for, then this would require further, possibly material, central funding. The Trust has initiated an estate redevelopment programme for which it has already received £5m of HIP2 seed funding in order to develop a full business case to be presented to the DHSC in order to secure the funding required to redevelop the St. Mary's site.

Appendix One – Audit Fees

Professional Fees:

The professional fees earned by Deloitte in the period from 1 April 2019 to 31 March 2020 are as follows. The amounts below are stated net of VAT. The Trust is subject to VAT on these charges:

	Current year £'000	Prior year £'000
Audit of Trust (including WGA)	107.5	107.5
Additional time deployed at the planning stage	4.4	-
Additional audit fee for overruns	-	22.5
Impact of additional work required in relation to Covid-19	17.5	-
Total audit fees	**129.4**	**130**
Audit related assurance services (including quality accounts)	-	17.5
Total fees	**129.4**	**147.5**

Appendix Two – Summary of reports issued

During the period from 1 April 2019 to 31 March 2020, and to the date of issuing this report, we issued the following reports in relation to the work covered by this letter:

Date of issue	Contents
27 November 2019	Audit plan for the year ending 31 March 2020, including analysis of the significant risks of misstatement, and a sector update.
24 April 2020	Sector development and audit update paper for the audit committee
8 June 2020	Year end audit progress report for the audit committee
24 June 2020	Final update report on the audit for the year ended 31 March 2020

Responsibility statement

We view this report as part of our service to you, under the requirements of the Audit Code, for use as Directors of Imperial College Healthcare NHS Trust for Corporate Governance purposes and it is to you alone that we owe a responsibility for its contents.

The matters raised in this report are only those that came to our attention during our audit and are not necessarily a comprehensive statement of all weaknesses that exist or of all improvements that might be made. You should assess recommendations for improvements for their full implications before they are implemented.

It is the responsibility of audited bodies to maintain adequate and effective financial systems and to arrange for a system of internal controls over the financial systems. Auditors should evaluate significant financial systems and the associated internal controls and, in doing so, be alert to the possibility of fraud and irregularities. Our findings are based upon an assessment of the design of controls at the time of review. We did not necessarily review the operation of controls throughout the financial year.

Deloitte LLP

Deloitte LLP

St Albans, United Kingdom

01 July 2020