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Bradford Hospitals' Charity
Registered charity No: 1061753

Bradford Hospitals Charity

Report to the Charitable Funds Committee on the 31 March 2019 Audit

30 October 2019

Contents

Introduction

The key messages in this report

Audit quality is our number one priority. We plan our audit to focus on audit quality and have set the following audit quality objectives for this audit:

A robust challenge of the key judgements taken in the preparation of the financial statements.

A strong understanding of your internal control environment.

A well planned and delivered audit that raises findings early with those charged with governance.

I have pleasure in presenting our final report to the Charitable Funds Committee of Bradford Hospitals Charity for the 2018/19 audit.

I would like to draw your attention to the key messages included in this report:

Work performed on significant risk areas	• The significant risks identified in relation to the audit are: revenue recognition of legacies and management override of controls. • We have successfully completed our audit procedures in response to these significant risks and noted no issues. • Further detail on our response is included on pages 7 to 8.
Conclusions from our testing	• We plan to issue an unmodified audit report on the financial statements of the charity. • We have communicated a small number of presentational and disclosure changes to management, which have been corrected.
Status of the audit	Our audit is substantially complete subject to the completion of the following matters: ○ receipt of the final updated financial statements; ○ completion of internal quality control review procedures; ○ our review of events since 31 March 2019 and receipt of the signed management representations letter.

Sarah Anderson
Lead Audit Director

Responsibilities of the Charitable Funds Committee

Helping you fulfil your responsibilities

The primary purpose of the Auditor's interaction with a Charitable Funds Committee:

- Clearly communicate the planned scope of the financial statements audit
- Provide timely observations arising from the audit that are significant and relevant to the Committee's responsibility to oversee the financial reporting process
- In addition, we seek to provide the Committee with additional information to help them fulfil their broader responsibilities

As a result of regulatory change in recent years, the role of a Charitable Funds Committee has significantly expanded. We set out here a summary of the core areas of the Committee's responsibility to provide a reference in respect of these broader responsibilities and highlight throughout the document where there is key information which helps the Charitable Funds Committee in fulfilling its remit.

Oversight of external audit

- At the start of each annual audit cycle, ensure that the scope of the external audit is appropriate.

- Make recommendations as to the auditor appointment and implement a policy on the engagement of the external auditor to supply non-audit services.

Integrity of reporting

- Impact assessment of key judgements and level of management challenge.

- Review of external audit findings, key judgements, level of misstatements.

- Assess the quality of the internal team, their incentives and the need for supplementary skillsets.

- Assess the completeness of disclosures, including consistency with disclosures on business model and strategy and, where requested, provide advice in respect of the fair, balanced and understandable statement.

Internal controls and risks

- Review the internal control and risk management systems

- Explain what actions have been, or are being taken to remedy any significant failings or weaknesses.

Oversight of internal audit

- Consider annually whether there is a need for an internal audit function and make a recommendation accordingly.

- Monitor and review the effectiveness of any internal audit activities.

Whistle-blowing and fraud

- Ensure that appropriate arrangements are in place for the proportionate and independent investigation of any concerns that are raised by staff in connection with improprieties.

Our audit explained

We tailor our audit to your business and your strategy

Identify changes in your organisation and environment

There have been no significant changes to operations or funding.

Scoping

We have completed our audit in line with our assessment of the audit risks. Balances not tested are limited to low risk areas.

Other findings

As well as our conclusions on the significant risks we are required to report to you our observations on the internal control environment as well as any other findings from the audit. We have not noted any significant findings to report to you for the financial year.

Determine materiality

Our calculation of materiality for our audit is based on 3% of net assets, which provides a materiality of £59,670, and we will report to you all uncorrected misstatements over £2,984. However, we have determined a lower level of materiality is required for our testing of income given the relative size of the balance and the risks associated. This has been calculated based on 5% of total income, which gives materiality of £17,300, and we will report to you all uncorrected misstatements over £779.

Significant risk assessment

Our audit has been based on a detailed risk assessment of the balances included within the financial statements.

Conclude on significant risk areas

We draw to the Charitable Funds Committee's attention our conclusions on the significant audit risks. We have reported on each risk on the following pages.

Our audit report

On satisfactory completion of our audit, we anticipate issuing an unmodified audit report.

Significant risks summary
Dashboard

Risk	Fraud risk	Planned approach to controls	Controls conclusion	Consistency of judgements with Deloitte's expectations	Page no.
Revenue recognition - legacies	✓	D+I	Satisfactory	●	7
Management override of controls	✓	D+I	Satisfactory	●	8

Overly prudent, likely to lead to future credit ⊖ ⊖ ● ⊕ ⊕ Overly optimistic, likely to lead to future debit.

D+I: Assessing the design and determining the implementation of key controls

Significant audit risks

Revenue recognition - Legacies

Risk identified

International Standard on Auditing (UK) 240 The auditor's responsibility to consider fraud in an audit of financial statements requires us to presume a risk of fraud in relation to income recognition. We consider that the key risk for the Charity is whether legacy income is complete.

Practice Note 11 The Audit of Charities in the United Kingdom issued by the APB and revised in November 2017 identifies that "Whilst it is the trustees' responsibility to safeguard the assets and income of the charity, the voluntary nature of some elements of its income raises considerations concerning the methods available to trustees for the purposes of ensuring that all income to which the charity is entitled are correctly accounted for."

Based on our understanding of the cash handling processes and controls, we have not identified a significant risk in relation to the cash received on wards. The risk around completeness relates primarily to legacies being notified but not yet received as this involves elements of judgement to determine when recognition criteria have been met.

Deloitte response

We focused specifically upon the risk of completeness of legacy income, especially around legacies notified but not yet received.

To address the significant risk identified, we performed the following procedures:

- tested the design and implementation of key controls that address the identified risks around the legacy income of the Charity; and
- carried out detailed testing of legacy income through a sample of items selected from legacy documentation, official receipts or other source documentation from throughout the financial year and tracing through to the ledger to confirm recognition and completeness of income.

No issues were identified from our testing.

Significant audit risks

Management override of controls

Risk identified

In accordance with ISA (UK) 240 The auditor's responsibilities relating to fraud in an audit of financial statements, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Although the level of this risk will vary from entity to entity, the risk is nevertheless present in all entities and therefore a presumed risk for all our audits.

Deloitte response

Our work focussed on assessing the overall control environment and 'tone at the top' of the Charity, as well as reviewing specific key controls to assess the risk of management override. In addition, we focussed our procedures on the following areas:

Journals

We used the Deloitte Analytics tools to identify those journals which display characteristics of audit interest or exhibit indicators of fraud to assess whether they are appropriate, supported by evidence and in line with our understanding of the organisation. We held discussions with management and reviewed documentation to support the reason for each sampled journal. Additionally, we considered whether each sampled journal had been posted in accordance with the Charity's financial procedures.

Accounting estimates

We conducted a review of accounting estimates for bias that could result in material misstatement due to fraud, including evaluation of whether the judgements and decisions made by management, even if they are individually reasonable, indicated a possible bias. In addition, we performed a retrospective review of management judgements and assumptions reflected in the financial statements of the prior year.

Significant transactions

We reviewed and challenged management in relation to any unusual or one-off transactions, including those with related parties and obtained supporting documentation to determine whether such transactions were outside the normal course of business or whether the business rationale was not clear or not in line with the Charity's objects.

We did not identify any unusual transactions or estimates from our testing of journals and accounting estimates posted throughout the year.

No issues were identified from our testing.

Other audit findings

Internal control and risk management

During the course of our audit we have identified one internal control and risk management finding, which we have included below for information.

Area	Observation	Priority
Use of the CRM system	The Charity has in place a CRM system which is currently just used as a tool for the fundraising team to track income and costs against projects and is retrospectively back-filled with bank receipts. We would recommend that the Charity look at expanding the use of CRM so that it is used to manage and record all types of income and can be reconciled to the accounting records.	

The purpose of the audit was for us to express an opinion on the financial statements. The audit included consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters being reported are limited to those deficiencies that we have identified during the audit and that we have concluded are of sufficient importance to merit being reported to you.

Low Priority

Medium Priority

High Priority

Purpose of our report and responsibility statement

Our report is designed to help you meet your governance duties

What we report

Our report is designed to help the Trustees discharge their governance duties. It also represents one way in which we fulfil our obligations under ISA 260 (UK) to communicate with you regarding your oversight of the financial reporting process and your governance requirements.

Our report includes:

- Results of our work on key audit judgements; and
- Our internal control observations.

What we don't report

As you will be aware, our audit was not designed to identify all matters that may be relevant to the Committee.

Also, there will be further information you need to discharge your governance responsibilities, such as matters reported on by management or by other specialist advisers.

Finally, our views on internal controls and business risk assessment should not be taken as comprehensive or as an opinion on effectiveness since they have been based solely on the audit procedures performed in the audit of the financial statements and the other procedures performed in fulfilling our audit plan.

We welcome the opportunity to discuss our report with you and receive your feedback.

The scope of our work

Our observations are developed in the context of our audit of the financial statements.

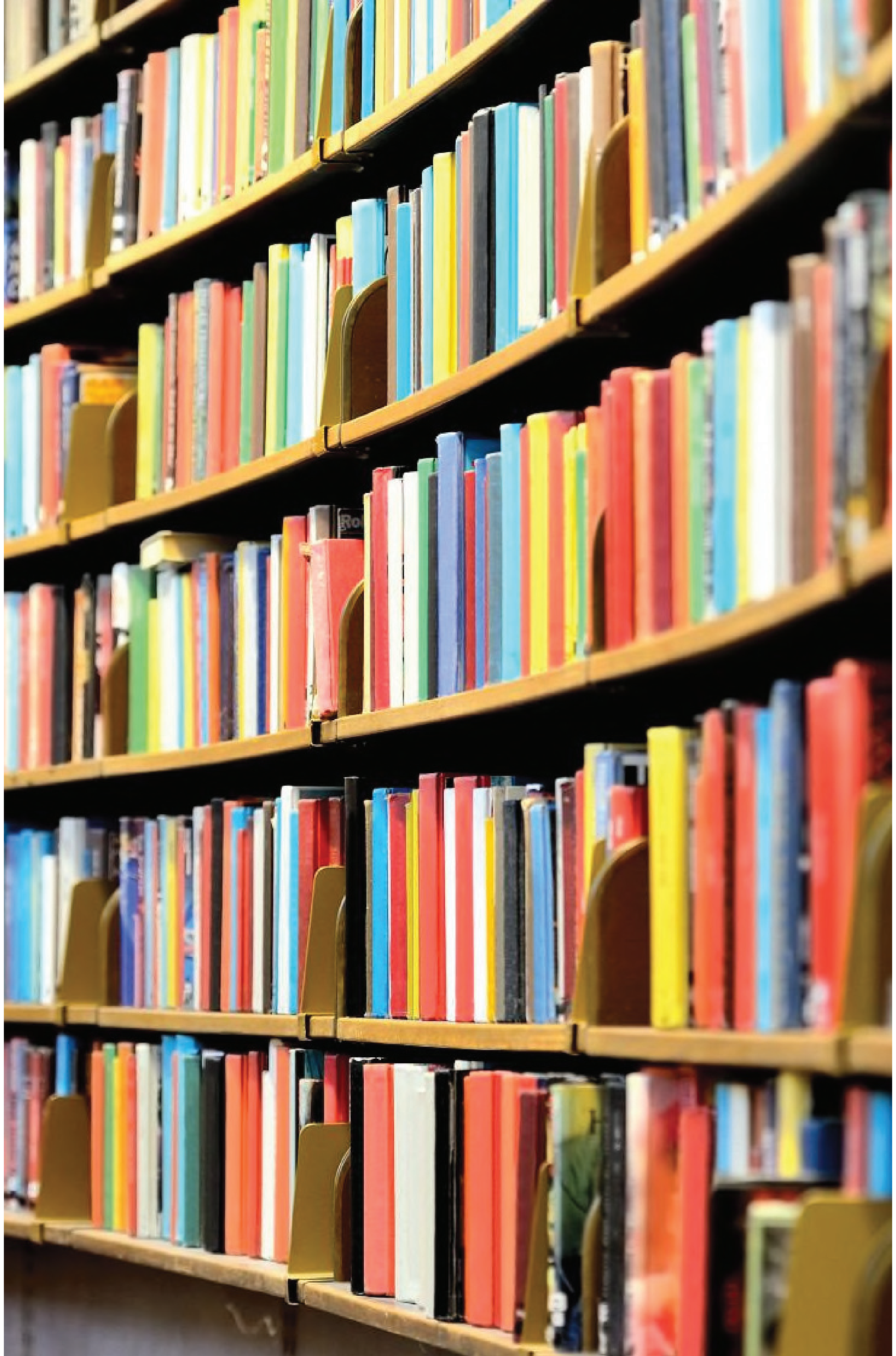
This report has been prepared for the Committee, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose. Except where required by law or regulation, it should not be made available to any other parties without our prior written consent.

Sarah Anderson (FCCA)

for and on behalf of Deloitte LLP

Leeds | 30 October 2019

Appendices



Audit adjustments
Unadjusted misstatements

The following uncorrected misstatements have been identified up to the date of this report which we request that you ask management to correct as required by International Standards on Auditing (UK and Ireland).

		Debit/ (credit) income statement £000	Debit/ (credit) in net assets £000	Debit/ (credit) prior year retained earnings £000	If applicable, control deficiency identified
Misstatements identified in current year					
PROJECTED					
Dr Payables	[1]	-	8	-	N/A
Cr Expenditure	[1]	(8)	-	-	
TOTAL PROJECTED		**(8)**	**8**	**-**	
PRIOR YEAR UNCORRECTED MISSTATEMENTS		**-**	**-**		
OVERALL TOTAL MISSTATEMENTS		**(8)**	**8**		

[1] Extrapolation of an over accrual that has been corrected by management.

Fraud responsibilities and representations

Responsibilities explained

Your Responsibilities:

The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance, including establishing and maintaining internal controls over the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

Our responsibilities:

- We are required to obtain representations from your management regarding internal controls, assessment of risk and any known or suspected fraud or misstatement.
- As auditors, we obtain reasonable, but not absolute, assurance that the financial statements as a whole are free from material misstatement, whether caused by fraud or error.
- As set out in the significant risks section of this document, we have identified the risk of fraud in revenue recognition and management override of controls as a key audit risk for the charity.

Fraud Characteristics:

- Misstatements in the financial statements can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action that results in the misstatement of the financial statements is intentional or unintentional.
- Two types of intentional misstatements are relevant to us as auditors – misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets.

We have requested the following to be stated in the representation letter signed on behalf of the Charitable Funds Committee:

- We acknowledge our responsibilities for the design, implementation and maintenance of internal control to prevent and detect fraud and error.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We are not aware of any fraud or suspected fraud / We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity or group and involves:
  - (i) management;
  - (ii) employees who have significant roles in internal control; or
  - (iii) others where the fraud could have a material effect on the financial statements.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

Independence and fees

As part of our obligations under ISAs (UK), we are required to report to you on the matters listed below:

Independence confirmation	We confirm the audit engagement team, and others in the firm as appropriate, Deloitte LLP and, where applicable, all Deloitte network firms are independent and our objectivity is not compromised.
Fees	The fees charged by Deloitte in the period to 31 March 2019 total £5,788 plus VAT. There were no non-audit services provided to the entity in this period.
Non-audit services	In our opinion there are no inconsistencies between the FRC's Ethical Standard and the entity's policy for the supply of non-audit services or any apparent breach of that policy. We continue to review our independence and ensure that appropriate safeguards are in place including, but not limited to, the rotation of senior partners and professional staff and the involvement of additional partners and professional staff to carry out reviews of the work performed and to otherwise advise as necessary.

Audit quality

Our commitment to audit quality

Our objective is to deliver a distinctive, quality audit to you. Every member of the engagement team will contribute, to achieve the highest standard of professional excellence.

In particular, for your audit, we considered that the following steps would contribute to the overall quality:

We applied professional scepticism on significant risk areas and key judgements areas.

We built on our deep understanding of your organisation, its environment and of your processes in key areas enabling us to develop a risk-focused approach tailored to the Charity.

Our engagement team was selected to ensure that we have the right subject matter expertise and industry knowledge.

In order to deliver a quality audit to you, each member of the core audit team has received tailored learning to develop their expertise in audit skills, delivered by Sarah Anderson.

We are happy to meet with the Charitable Funds Committee at any point throughout the year to discuss progress, relevant news/ sector updates and/ or results of our audit ahead of the committee papers being issued.

Engagement Quality Control Review

We have developed a tailored Engagement Quality Control approach. Our dedicated Professional Standards Review (PSR) function will provide a 'hot' review before any audit or other opinion is signed. PSR is operationally independent of the audit team, and supports our high standards of professional scepticism and audit quality by providing a rigorous independent challenge.

Sector Developments

Sector developments

Cyber Security Breaches Survey

The Department for Digital, Culture, Media and Sport published their annual report on cyber security breaches in April 2019. The key findings infographic summarises that while 22% of charities compared with 32% of companies identified cyber security breaches or attached in the last twelve month the average annual cost for charities that lose data or assets after breaches was £9,470 compared to £4,180 for businesses.

Whilst, the survey reports a 15% increase in charities putting cyber security policies in place, this means that only 36% of charities have policies leaving almost two thirds of the sector potentially vulnerable (although ahead of businesses for which only 33% had policies in place). A separate infographic has been produced to focus on the impact on charities. This gives further detail on the results by income, looking at charities with income of under £100,000, £100,000 to £500,000 and those over £500,000. Not surprisingly more charities in the higher income band identified breaches or attacks, however all bands were recognised some cyber-attacks and breaches.

The Charity Commission updated its guidance protect your charity from fraud and cyber crime in May 2019 including in it reference to the National Cyber Security Centre's toolkit designed to encourage essential cyber security discussions between the Board and their technical experts. The toolkit sets out a number of challenging questions for Board's about 'what good looks like' in different contexts, for example, risk assessment, collaboration and developing a positive cyber security culture.

We would recommend that trustees review this guidance and ensure that cyber considerations are established as part of the charity's operational considerations and that there are reporting routes and planned incident responses designed and tested for potential and actual cyber security breaches.

Sector developments

Information Sheet 2

Information Sheet 2 published in January 2019 focusses on the changes in respect of the accounting for gift aid payments made by a subsidiary to a parent charity where no legal obligation exists. It provides support for charities to implement those changes made to FRS 102 through the Triennial Review 2017 and the consequential changes to the SORP through SORP Bulletin 2.

The guidance is written primarily for the subsidiary entities of a charitable parent that applies FRS102. In summary, the impact of the changes on the subsidiary were that:

- A gift aid payment, intended to be made after the year end, could not be recognised at the balance sheet date where there was no legal obligation.
- Gift aid tax relief could be recognised at the balance sheet date, even where there was no legal obligation or liability, when the conditions were met and it is probable that the gift aid payment will be made.
- No current or deferred tax liability is recognised by the subsidiary in relating to a gift aid payment where the tax charge and corresponding relief effectively net off, resulting in a nil tax charge.
- Tax effects may still need to be recognised where for example the subsidiary does not intend to distribute all its taxable profits (current tax effect) or has an anticipate capital gain as a result of the revaluation of items in property, plant and equipment (deferred tax effect).
- Where the application of the amendments changes the entity’s accounting policy for expected gift aid payments and/or the related tax relief, and they are material, then a prior year adjustment will be required.
- A prior year adjustment may impact the subsidiary and parent only accounts, where the gift aid income is material) but no amendment will be required to the consolidated accounts.

The information sheet provides a number of examples based on different circumstances and accounting policies.

Sector developments

Public reporting by charities in the trustees' annual report and accounts

In December 2018, the Charity Commission published a review of 105 submissions covering accounting years ending during the twelve months to 31 December 2016. The sample was from charities with an income of more that £25,000 and the focus of the review was on the description of activities in the trustees' annual report; whether an appropriate audit or independent examination report was included; and whether the primary statements were consistent.

70% of the accounts reviewed met the minimum standard – a fall from 74% in the prior year. The key failing was around providing little or no information on the charities purposes and the activities carried out to achieve them.

We recommend that Bradford Hospitals Charity should ensure that they give adequate consideration to the requirements each year to ensure they are provided sufficient detailed disclosures around the activities that they are undertaking each year.

Public benefit reporting by charities

In December 2018, the Charity Commission published a review of 105 accounts submissions covering accounting years ending during the twelve months to 31 December 2016. The sample was from charities with an income of more that £25,000 and the focus of the review was on whether there was an explanation of the activities undertaken by the charity to further its purposes for the public benefit; and whether a statement was made by trustees' that they had due regard to the Charity Commission's guidance on public benefit.

52%, compared to a prior year 51% demonstrated a clear understanding of the public benefit reporting requirement. However the number of charities explaining the activities that furthered their charitable purposes fell from 71% to 66%.

The Charity Commission reported that they are not only looking for a standard statement, but in addition evidence of some reflection on the difference that the charity's activities had made. For example:

- explaining why the trustees believed that the activities provided public benefit.
- explaining who had benefitted from what the charity had done, a particular group of beneficiaries or the wider public.
- explaining the impact of what the charity had done, such as how the charity's services had led to improvements in people's lives.

We note that Bradford Hospitals Charity financial statements include appropriate disclosures that address the public benefit requirements.

Sector developments

Reporting matters of material significance

In December 2018, the Charity Commission published a follow-up to the February 2018 review of matters of material significance. In the earlier review the Charity Commission noted that auditors had not always made their reports promptly when required to do so. During the year the Charity Commission has followed up its findings both with individual firms and the profession in general and plans to update the guidance in early 2019. The key reminders from the review were:

- It is a statutory duty for the auditors to make a report.
- Trustees need to be aware of the list of matters of material significance and the duty of auditors to make a report.
- Trustees should remember that they are required to report serious incidents to the regulator.
- Trustees were also encouraged to submit their audited accounts as soon as they are available.

The current guidance of reporting matters of material significance can be found here on the Charity Commission website.

Safeguarding

In October 2018, reflecting the constant focus on safeguarding, the Charity Commission updated its guidance published in 2017 to include information on protecting staff and volunteers in a charity, working with children and adults at risk and working overseas. The guidance provides links to various checklists and other guidance available which will be valuable for trustees whose charities work in those areas. A visual summary is available of 10 actions that boards should take to ensure good safeguarding governance.

We would recommend that the Trustees consider the actions and whether any additional checks or procedures are necessary.

Sector developments

How to report a serious incident

The original guidance was published in 2014, updated in September 2017 and then again in October 2018. The guidance emphasizes the need for trustees to make prompt, full and frank disclosure to the Charity Commission, even if it has already been reported to another authority.

A serious incident is an adverse event, whether actual or alleged, which results in or risks significant:

- harm to your charity's beneficiaries, staff, volunteers or others who come into contact with your charity through its work
- loss of your charity's money or assets
- damage to your charity's property
- harm to your charity's work or reputation

For the purposes of the Charity Commission guidance, "significant" means significant in the context of each individual charity, taking account of its staff, operations, finances and/or reputation. The Charity Commission provides a number of reportable or non-reportable examples to assist trustees in deciding what may be reportable in the context of their charity.

Trustees (of charities with income of over £25,000) are required to confirm in their annual return that all incidents have been reported. If incidents are identified that should have been reported these incident reports should be reported before the annual return is filed.

Trustees should be aware of this guidance when considering the activities of their charity and whether any reportable incidents occur. Should the Charity Commission later become involved in an unreported incident, Trustees would need to be able to justify their initial decision not to report.

Sector developments

Reserves policies: demonstrating and building resilience

In November 2018, the Charity Commission published a review of 106 accounts submissions covering accounting years ending during the twelve months to 31 December 2016. The sample was from charities with an income of more than £500,000 and the focus of the review was on whether the charity has explained its reserves policy; and whether the charity's level of reserves was correct. This review was carried out due to concerns about the lack of transparency about reserves held and the basis of charities calculations.

The review showed that while 97% of the charities sampled included at least a reference to their reserves policy in the trustees' annual report only 64% of charities included all of the following: the policy on reserves; stated the level of reserves held; and stated why reserves were held.

The Charity Commission also considered whether the reserves figure was in line with the guidance included in Charity reserves: building resilience (CC19) which sets out a process for calculating the level of reserves. Results showed that only 22% of the charities sampled disclosed a reserves figure in accordance with the guidance and 33% of the sample did not state a reserves figure at all.

The Charity Commission is considering whether additional guidance is necessary but recommends that all trustees should follow the steps in the guidance in developing and explaining their reserves policy.

We have noted that within the financial statements the Charity has included relevant detail about the reserves policy and the level of reserves held.

Sector developments

Trust in Charities 2018

The Charity Commission asked Populus to update their research into Trust in Charities. The last report was issued in 2016. The headline is that public trust and confidence in charities has continued to decline (though only slightly) from the prior year and stands at 5.5/10. The most significant fall was between the 2014 survey where trust was at a high of 6.7/10 and the 2016 survey where the impact of the various fundraising scandals meant public trust and confidence had dipped to 5.7/10. However, it is clear that charities still need to rebuild and manage their reputation and impact. The Charity Commissions conclusions are clear it is not just transparency (although that is still important) but authenticity.

> "It's about organisational values and ethos. The public want to know that charities are what they say they are. "

Some of the key findings from the survey include:

- Trust matters to donation behaviour and those who feel their trust in charities has decreased (4 in 10 of the population) are giving less.
- In both years of the survey scandals in the media involving major humanitarian charities occurred just before polling took place.
- Only Doctors, the Police and the Man/woman in the street are trusted more than charities.
- Transparency still rates highest when people are deciding whether to trust a charity.
- 62% of respondents said that their trust had decreased due to media stories and 60% due to too much money spent on advertising, wages and admin.
- The regulator has an important role in increasing trust.

Sector developments

A new Code of Ethics

The Code of Ethics has been development by the National Council for Voluntary Organisations (NCVO) for consultation. The code is intended to be complementary to existing sector codes such as the Charity Governance Code, as well as individual charities' codes or policies. It is not intended to replace their own definitions of values and codes of conduct. It is hoped that the code will make charities more accessible for beneficiaries.

The principles of the draft code are:

- Beneficiaries first
- Integrity
- Openness
- Right to be safe

The principles are straightforward and the challenge for charities will come in assessing how they uphold those principles and how procedures and policies are embedded into the culture and ethos of the organisation. The Code also challenges charities to make public, not only their annual accounts, but also their approach to safeguarding, bullying and harassment, and the complaints procedure. It will be important that procedures are in plan to action and monitor these public policies.

Sector developments

Technical issues in charity law

In September the Law Commission published a new report *Technical issues in charity law* as part of its 11th Programme of Law Reform and also stemming from Lord Hodgson's 2012 review. Some of the key recommendations include:

- Increased flexibility over obtaining advice when selling land
- Changes to the law to allow charities to amend their governing documents more easily
- Increased flexibility around permanent endowment including to 'borrow' for up to 20 years against up to 25% of the permanent endowment
- Removing legal barriers to mergers between charities
- A new statutory power to allow trustees to make small ex gratia payments without prior authorisation

Sector developments

A benchmark for the external scrutiny of charity accounts

The Charity Commission issued a press release on 28 August 2019 stating concern at the quality of external scrutiny of charity accounts. The key findings showed that only around half of a sample of charity accounts selected met the regulators external scrutiny benchmark.

The two common findings for charities in the two largest income samples were:

Finding	Response
Incomplete reporting of related party transactions	We are alert to potential relationships or transactions which should be disclosed through our audit work, for example a trustee, or person closely connected with a trustee, who is related to an organisation providing goods or services. The point emphasised by the Charity Commission review was that it is important to state clearly that there have been no transactions where that is the case: No comment is not sufficient. We will seek a representation from trustees that all related party transactions, including those with closely connected persons have been disclosed.
Not providing a separate summary income and expenditure account	This is only applicable to charitable companies.

The regulator is working closely with ICAEW and ACCA to improve their members' awareness of charity reporting and accounting requirements. It has passed details of accounting practitioners that failed to meet the benchmark to their relevant professional bodies so that they can assist them. The Commission may also use non-compliance with the benchmark to raise formal complaints with professional bodies.

Audit quality is one of our key values and we already have in place an accreditation system to maintain and improve audit quality. This ensures that a charity audit team includes members, and a partner, who have undertaken specific charity training. All of the senior audit team at Bradford Hospitals' Charity have completed this. In addition, we have a specialised charity and not for profit group who not only work directly with clients and have experience of charity audit related issues, but also support other audit teams through provision of training, audit guidance, checklists and tailoring of the Deloitte audit approach to charity accounts and balances.

As part of our annual process we complete a checklist to test whether the accounts include all the appropriate disclosures and there is an independent review of the final accounts performed by a charity specialist.

Deloitte.