

Commission's Code of Audit Practice. In this instance, we will obtain permission from you to respond to any liaison requests. In order to do so, we may implement legal agreements as deemed appropriate in the individual circumstances.

Client identification

As with other professional services firms, we are under stringent requirements to identify our clients for the purposes of the anti-money laundering legislation. We are likely to request from you, and retain, some information and documentation for these purposes and/or make searches of appropriate databases. If satisfactory evidence of your identity is not provided within a reasonable time, there may be circumstances in which we are not able to proceed with the audit appointment.

Money laundering reporting

The provision of audit services is a business in the regulated sector under The Proceeds of Crime Act 2002 and as such, partners and staff in audit firms are required to report all knowledge or suspicion, or reasonable grounds to know or suspect, that a criminal offence giving rise to any direct or indirect benefit from criminal conduct has been committed, regardless of whether that offence has been committed by their client or by a third party. If as part of our normal audit work we have knowledge or suspicion, or have reasonable grounds to know or suspect, that such offences have been committed we are required to make a report to the National Criminal Intelligence Service. In such circumstances it is not our practice to discuss such reports with you because of the restrictions imposed by the tipping off provisions of the anti-money laundering legislation.

Access to working papers

We may be required to give access to our audit working papers to the NAO under the memorandum of understanding included in the Audit Code.

Summary financial statements

As the Accounting Officer of the Trust, you are responsible for the summary financial statements. Our responsibility is to report to the Board of Governors whether in our opinion the summary financial statements are consistent with the full accounts and directors' report of the Trust for the year and complies with the directions issued by Monitor applicable to summary financial statements. Our work will be conducted in accordance with the Audit Code or subsequent guidance issued by Monitor.

Reporting to third parties

There are circumstances under the Audit Code where we are required to undertake work and report to third parties, in particular Monitor and the public. We will undertake any such work in accordance with the Audit Code and any subsequent directions issued by Monitor.

Other services

You have requested that we provide other services in respect of The terms under which we provide these other services are dealt with in a separate letter.

Fees

Our fees are computed on the basis of the time spent on your affairs by the partners and our staff and on the levels of skill and responsibility involved. Unless otherwise agreed, our fees will be billed at appropriate intervals during the course of the year and will be due on presentation.

Applicable law

This engagement letter shall be governed by, and construed in accordance with, English law. The Courts of England shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have jurisdiction.

Agreement of terms

Once it has been agreed, this letter will remain effective, from one audit appointment to another, until it is replaced. We shall be grateful if you could confirm in writing your agreement to these terms by signing and returning the enclosed copy of this letter, or let us know if they are not in accordance with your understanding of our terms of engagement.

Yours faithfully,

.....

We agree to the appointment of [x] as auditors of [...] NHS Foundation Trust on the terms set out in this letter

.....

Signed for and on behalf of (Trust)

Notes

You may also wish to include paragraphs on:

- (a) Reports to those charged with governance
- (b) Group audit arrangements, where appropriate
- (c) Preparation of financial statements
- (d) Taxation
- (e) Fiduciary responsibilities
- (f) Liability
- (g) Complaints procedures
- (h) Electronic communications
- (i) Electronic publication of auditors' reports
- (j) Working for other clients

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IRGG 01/04

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