



National Audit Office

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AUDIT INSPECTION OF THE vCJD TRUST

We have recently received a letter from a member of parliament asking us to investigate the finances of the Variant Creutzfeldt Jakob Disease (vCJD) Trust. He considers that the costs incurred by the Trust for services provided by its solicitors, Charles Russell, may be excessive, and has requested we consider whether value for money is being secured. We are obliged to investigate the substance of all complaints that fall within our remit, and I am writing to propose a way forward and, ultimately, to seek your help in securing access for us to the trust records, which are open to us under the terms of the trust deed.

I understand that the Trust is formed of 7 trustees drawn from victims' families, the medical and legal professions to provide a cross-section of stakeholders, and that they have the mandate to manage the Trust and its finances within the governing trust deed. I recognise also that the solicitors, Charles Russell, provide a full secretariat service and not just legal advice on individual claims.

At the heart of this issue may be the complexities of the trust deed and the criteria for the discretionary payments, which appear to require significant legal input to allow the trustees to conclude on eligibility and the value of awards. We would like to explore this issue further, and I would welcome the opportunity to meet with you, in the first instance, to discuss the extent to which the Department were initially involved in drafting the deed and whether subsequent reviews of the complexities have been undertaken or considered. I would also like to discuss our next steps.

Given that the trust is governed by the deed rather than Treasury rules for the handling of public funds, the question of whether the trust is securing good value for money may be most appropriately addressed by a review of the governance procedures adopted by the trustees, including their management of the contract with Charles Russell. Under paragraph 30 of the trust deed, the Comptroller and Auditor General has rights to inspect the "accounting and other records", and I would like to take the opportunity to inspect the records of the trust, specifically with a view to establishing:

- How the trustees ensure the objectives of the trust are met;
- The effectiveness of systems of internal control operated by the trust; and
- How the trustees manage the contract with Charles Russell.



At the end of this process, we will report our findings to you. I would like to provide a summary of our findings to our correspondent and, where appropriate, we will confirm the accuracy and balance of our reply to the MP with you prior to despatch.

I will contact you shortly to arrange a suitable date to meet in early September. However, please feel free to ring me in advance if you wish to clarify any of the issues above.

Yours sincerely,

David Hughes
Audit Manager