

Auditor's Annual Report on NHS Calderdale Clinical Commissioning Group

2021-22

24 June 2022



Contents

Section	Page
1. Executive summary	3
2. Opinion on the financial statements and use of auditor's powers	5
3. Key recommendations	6
4. Commentary on the CCG's arrangements to secure economy, efficiency and effectiveness in its use of resources	7
5. Financial sustainability	8
6. Governance	9
7. Improving economy, efficiency and effectiveness	11
8. Follow-up of previous recommendations	13
9. Opinion on the financial statements	14
Appendices	
Appendix A – Responsibilities of the Clinical Commissioning Group	16
Appendix B – Risks of significant weaknesses, our procedures and findings	17
Appendix C – An explanatory note on recommendations	18



We are required under Section 21(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the CCG has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the CCG's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No.OC307742. Registered office: 30 Finsbury Square, London, EC2A 1AG. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

1. Executive summary



Value for money arrangements and key recommendations

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the CCG has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Auditors are required to report their commentary on the CCG's arrangements under specified criteria and 2021-22 is the second year that we have reported our findings in this way. As part of our work, we considered whether there were any risks of significant weakness in the CCG's arrangements for securing economy, efficiency and effectiveness in its use of resources. Our conclusions are summarised in the table below.

Criteria	Risk assessment at planning stage	2020-21 Auditor Judgement	2021-22 Auditor Judgement	Direction of travel
Financial sustainability	No risks of significant weakness identified	No significant weaknesses in arrangements identified, but improvement recommendation made	No significant weaknesses in arrangements identified.	↑
Governance	No risks of significant weakness identified	No significant weaknesses in arrangements identified, but improvement recommendation made	No significant weaknesses in arrangements identified.	↑
Improving economy, efficiency and effectiveness	No risks of significant weakness identified	No risks of significant weakness identified	No significant weaknesses in arrangements identified.	↔

- No significant weaknesses in arrangements identified or improvement recommendations made.
- No significant weaknesses in arrangements identified, but improvement recommendations made.
- Significant weaknesses in arrangements identified and key recommendations made.

Executive summary



Financial sustainability

Proper arrangements are in place to deliver value for money and secure financial stability. We did not identify any risks of significant weakness relating to financial stability arrangements at the CCG.

Further details can be found on page 8.



Governance

Proper governance arrangements are in place to deliver value for money. We did not identify any risks of significant weakness relating to governance arrangements at the CCG.

Further details can be found on pages 9-10.



Improving economy, efficiency and effectiveness

Proper arrangements are in place to improve economy, efficiency and effectiveness. We did not identify any risks of significant weakness relating to improving economy, efficiency and effectiveness arrangements at the CCG.

Further details can be found on pages 11-12.



We have completed our audit of your financial statements and issued an unqualified 'clean' audit opinion on 20 June 2022, following the Audit Committee meeting on 20 June 2022. Our audit findings are set out in further detail on page 5.



2. Opinion on the financial statements and use of auditor's powers

We bring the following matters to your attention:

Opinion on the financial statements

Auditors are required by section 21 of the Local Audit and Accountability Act 2014 to express an opinion on the accounts that includes the auditor's view on whether the accounts: (i) present a true and fair view and comply with statutory requirements (ii) have been prepared in accordance with proper practices

We have completed our audit of your financial statements and issued an unqualified audit opinion on 20 June 2022, following the Audit Committee meeting on 20 June 2022. Our key findings are set out in further detail on page 13.

Opinion on regularity

Auditors are required by section 21 of the Local Audit and Accountability Act 2014 to include in the opinion their view on the regularity of the CCG's income and expenditure, that is to say, that money provided by Parliament has been expended for the purposes intended by Parliament; resources authorised by Parliament to be used have been used for the purposes in relation to which the use was authorised; and that the financial transactions of the group are in accordance with any authority which is relevant to the transactions

We have completed our regularity work and found no issues. Our regularity opinion forms part of the unqualified audit report opinion issued on 20 June 2022, following the Audit Committee meeting on 20 June 2022. Our key findings are set out in further detail on page 13.

Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body

We have not had to issue any statutory recommendations.

Section 30 referral

Under Section 30 of the Local Audit and Accountability Act 2014, the auditor of an NHS body has a duty to consider whether there are any issues arising during their work that indicate possible or actual unlawful expenditure or action leading to a possible or actual loss or deficiency that should be referred to the Secretary of State, and/or relevant NHS regulatory body as appropriate

We have not had to issue a Section 30 referral as NHS Calderdale CCG met its financial balance duty for 2021-22 and there were no identified instances of possible or actual unlawful expenditure

Public Interest Report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We have not had to issue a public interest report.

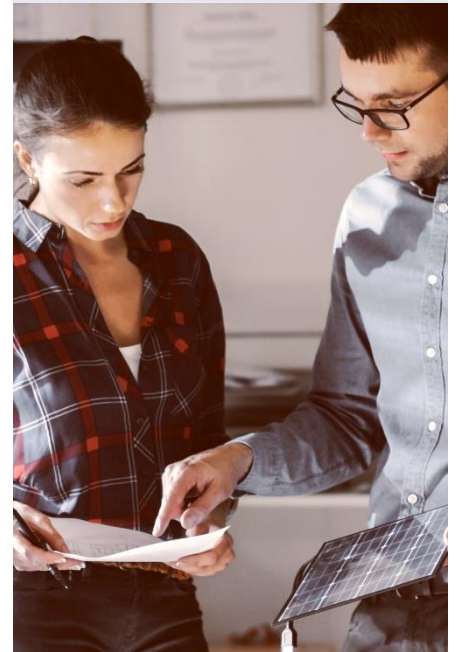


3. Key recommendations



We have not made any statutory, key or improvement recommendations within this report.

The range of recommendations that external auditors can make is explained at Appendix C.



4. Securing economy, efficiency and effectiveness in the CCG's use of resources

All Clinical Commissioning Groups are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The CCG's responsibilities are set out at Appendix A.

CCGs report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the CCG has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The National Audit Office's Auditor Guidance Note (AGN) 03, requires us to assess arrangements under three areas:



Financial Sustainability

Arrangements for ensuring the CCG can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term.



Governance

Arrangements for ensuring that the CCG makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the CCG makes decisions based on appropriate information.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the CCG delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Our commentary on the CCG's arrangements in each of these three areas, is set out on pages 8-12.

5. Financial sustainability



We considered how the CCG:

- identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds them into its plans
- plans to bridge its funding gaps and identify achievable savings
- plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

Summary of arrangements

The CCG has proper arrangements in place to deliver value for money in its planning of its finances. These are set out below.

FY 2021-22 outturn

The CCG has established arrangements in place for budget setting and monitoring which are reported to the Quality, Finance and Performance Committee and Governing Body. Budget setting and funding is now at the West Yorkshire Integrated Care System (ICS) level but discussions take place with all CCG chief financial officers around how the plan will work. With the central control arrangements as a result of Covid-19 continuing into 2021-22, the CCG has not had the ability for significant discretionary spending given allocations have in the main been dictated centrally.

Calderdale CCG has continued to operate within the central command and control system during 2021-22 due to the ongoing Covid-19 Pandemic. West Yorkshire ICS received a 'system envelope' for 2021-22 and was required to submit a balanced plan. The CCG submitted a breakeven financial plan, reflecting national planning assumptions, for both six months periods of 2021-22 with an efficiency requirement of £2.0m for the first six months (H1) and £2.2m for the second six months (H2). The plans reflected allocations received at a West Yorkshire ICS level plus additional national allocations for Mental Health Spending and System Development Funding.

The CCG delivered a break even position for 2021-22 with a small surplus of £2k after delivering its targeted savings of £4.2m for the year. This breakeven outturn position was in line with the CCG's overall 2021-22 financial plan. Of the total savings delivered, £1.0m were recurrent and £3.2m non-recurrent reflecting the unusual operating environment continuing from the impact of Covid-19. The Director of Finance aims to maximise the proportion of recurrent savings where possible and this can be seen in the 2022-23 budget below where the recurrent element is budgeted at 70%.

FY 2022-23

For 2022-23, West Yorkshire Integrated Care System has one plan for the 12 month period which reflects the commissioner and provider plans agreed by all the individual organisations within the West Yorkshire ICS. As current statutory arrangements are not in place until 1 July 2022, the CCG plan will be for three months with an allocation adjustment to ensure a balanced position with the remaining plan becoming the responsibility of the West Yorkshire Integrated Care System.

The 2022-23 financial plans have been prepared in accordance with NHSE guidance issued in April 2022 setting out the detailed financial arrangements for the CCG for the full financial year. Overall, there remains system risks due to the financial deficit in the medium term, and risks due to inflation and activity demand pressures above the levels assumed in the planning guidance.

The latest finance report presented to the Governing Body on 23 June 2022 indicates that the CCG expects a small deficit of £0.2m for 2022-23. Under current NHS guidance, any deficit for the three months to the end of June 2022, will be matched with an allocation adjustment to deliver a balanced position. The 2022-23 budget has a QIPP savings target of £4.25m for the full year (£3.0m recurrent and £1.25m non-recurrent). At the time of the report to the Governing body, the CCG had highlighted risks of some £0.78m to the delivery of savings during the year. Expected savings to be delivered by the CCG to 30 June 2022 total £1.06m leaving a balance of £3.19m to be delivered as part of the West Yorkshire ICB.

6. Governance



We considered how the CCG:

- monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approaches and carries out its annual budget setting process
- ensures effective processes and systems are in place to ensure budgetary control; communicate relevant, accurate and timely management information (including non-financial information); supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee
- monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour (such as gifts and hospitality or declaration/conflicts of interests) and where it procures and commissions services.

Summary of arrangements

The CCG has proper governance arrangements in place to deliver value for money in its use of resources. These are set out below.

Leadership and committee effectiveness

Appropriate leadership is in place. The CCG is led by its Governing Body, which is supported by an appropriate committee structure. Senior officers attend the Governing Body and Committees to present reports and provide opportunities for questions during meetings. The Governing Body contains a number of clinical members who regularly attend meetings. The Audit Committee demonstrates appropriate challenge of financial and non-financial items. The Committee contains members with financial knowledge to provide appropriate challenge on these items.

Major decisions are made at the Governing Body level, with issues arising from the Quality, Finance and Performance Committee, the Commissioning Primary Medical Services Committee or the Audit Committee reported to the Governing Body for final approval. The Governing Body meets quarterly and the details of the decisions made are recorded in the approved Governing Body minutes.

Reports to the Governing Body and Committees are in a standard format with concise summaries, links to corporate objectives, recommendations and appropriate level of detail.

Governing Body and Committee minutes are clear and concise and demonstrate discussion and challenge.

Risk management

This Risk Management Framework (RMF) sets out the CCG's approach for understanding and managing risks, and for ensuring that effective risk management is integral in everything that the CCG does. The RMF coupled with the Corporate Risk Register and Governing Body Assurance Framework demonstrates that risk management is integrated into business decision making, planning, performance reporting and delivery processes, to support rigorous and innovative decision making within the CCG.

The Corporate Risk Register and Governing Body Assurance Framework demonstrates that, there is a review and management process for considering risks at the CCG. From our review, we are satisfied that risks identified are presented appropriately to the Governing Body and that there is sufficient challenge and monitoring of risk owners.

Policies, Procedures and Controls

The CCG has a constitution in place which is reviewed and updated and is openly available on the CCG's website. The CCG's constitution allows GP practice representatives to represent practice views. The CCG also complies with all the values of the NHS Constitution.

Policies and procedures are in place to ensure these values and statutory standards are maintained.

The CCG's Internal Audit function provided by Audit Yorkshire delivers a wide programme of work and reports its findings on a regular basis. It supports the Audit Committee and provides assurance that systems, processes and controls are operating effectively. No significant weaknesses have been identified by Internal Audit in 2021-22. The Head of Internal Audit Opinion for 2021-22 provided high assurance to the CCG which is very rare and a significant achievement.

Governance

Similarly, Audit Yorkshire's Counter Fraud Specialists undertake a programme of work to support the Audit Committee, including a mix of proactive and investigatory work. Findings are reported appropriately, and no significant issues were noted in 2021-22.

Budget setting

The CCG has an appropriate annual budget setting process in place. Key stakeholders are involved with the process, including timely approvals and budget reviews. Service activity against plan is presented and integrated into reports to the Governing Body.

Financial management and reporting

Financial management processes are considered appropriate. Calderdale's constitution specifies requirements for the Chief Financial Officer (CFO) and finance function to monitor financial performance against forecasts, and these forecasts should correspond with the annual commissioning plan. Budget reviews are undertaken with budget holders sent monthly breakdowns of expenditure in their areas with a clear variance analysis included between actuals and forecasts. These are reported to the Governing Body. Variances against budgets are investigated to identify reasons for variances and the remedial actions required.

Where there is a significant underspend, discussions are undertaken to identify whether the service is being delivered to the expected level. For a significant overspend, mitigating actions for future months are identified and a plan is put in place to bridge budget gaps. If this is due to new factors, the budget adjustment process can be initiated to take this into account. Any change is subject to Governing Body approval. Financial monitoring reports are sent to each Governing Body meeting. Reporting is sufficiently detailed with budget reports outlining the headlines for the period.

Financial performance is a key objective for senior managers in terms of the reporting, identification of risks and responses to these risks. There is no evidence of a lack of capacity in the finance department. Budget monitoring and submissions are made on time and to a good standard.

There is no evidence of serious/pervasive weaknesses in the final accounts processes at the CCG. The current and prior year audits did not identify any material errors. The standard of draft accounts production has been satisfactory and there is no history of failure to meet statutory reporting deadlines. Unmodified audit opinions have been issued on the 2021-22 and 2020-21 financial statements.

Partnership working

Calderdale Cares (CC) was formed in 2018 and is the partnership between Calderdale CCG and Calderdale Metropolitan Borough Council with a partnership agreement in place. The partnership also includes Calderdale and Huddersfield NHS Foundation Trust and the community and voluntary sectors. It brings together the planning and commissioning of health and adult social care services to provide and deliver more effective healthcare services for the people of Calderdale.

The Health and Care Act received Royal Assent on 28 April 2022 allowing for the establishment of Integrated Care Boards (ICB) across England from 1 July 2022 and the abolition of clinical commissioning groups. Calderdale CCG will transfer its operations to the West Yorkshire Integrated Care Board (ICB) on 1 July 2022. On this date the CCG's functions, assets and liabilities will transfer to the West Yorkshire ICB.

In preparation for this transition, the CCG's Chair and Accountable Officer over the last two years have attended meetings of the West Yorkshire Integrated Care System as it has continued to develop in preparation of becoming the West Yorkshire Integrated Care Board and have reported back on progress to the Governing Body as part of the Accountable Officer and Chair updates. This process has ensured the Governing Body is kept informed of significant issues across the local healthcare sector and has enabled them to make informed decisions.

7. Improving economy, efficiency and effectiveness



We considered how the CCG:

- uses financial and performance information to assess performance to identify areas for improvement
- evaluates the services it provides to assess performance and identify areas for improvement
- ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives
- where it commissions or procures services assesses whether it is realising the expected benefits.

Summary of arrangements

The CCG has proper arrangements in place to improve economy, efficiency and effectiveness. These are set out below.

Performance and performance monitoring

The CCG Governing Body receives a Finance, Contracting and Performance Report to allow monitoring and scrutiny of the CCG's performance and areas for improvement. A scorecard is provided for each area which is RAG rated. However, given the Covid-19 pandemic, the scorecards contain no RAG rating for suspended NHS Constitution Indicators at present. The CCG does however include the targets for information to allow the Governing Body to see how far away performance is from delivery.

The January 2022 Corporate Performance Report highlighted issues with regard to:

- Accident and Emergency waiting times
- Elective Care waiting times (Referral to Treatment)
- Diagnostic waiting times
- Cancer treated within 31 days
- Mental Health pressures across the system.

Covid-19 has had a significant effect on performance delivery. However, the CCG has appropriate arrangements in place for the assessment of performance. The CCG closely monitors progress and sets out performance and quality risks with clear actions to deliver the improvements required.

Performance management

The main providers across Calderdale CCG's commissioning area are: Calderdale and Huddersfield NHS Foundation Trust (Good), South and West Yorkshire Partnership NHS Foundation

Trust (Good), Huddersfield Royal Infirmary (Good), Calderdale Royal Hospital (Good), Leeds Teaching Hospitals NHS Trust (Good), Bradford Teaching Hospitals NHS Trust (Good).

As none of the main providers are rated as inadequate by the CQC, the scope of our work has not required any further investigation into the performance monitoring arrangements in place across its main providers.

We took assurance that the CCG uses key performance indicators (KPIs) to monitor performance, regularly assesses organisational risks via a review of the risk register and compares its performance.

Procurement

The procurement of new services to promote efficiencies and savings was limited again this year due to the pandemic, with a block contract finance regime in place between commissioners and providers. This followed emergency government policy and legislation throughout the pandemic. As such, the scope of our work was limited in assessing procurement procedures in place as there were no changes to service providers during the year.

Benchmarking

Although opportunities for identifying areas for improvement using benchmarking have been limited over the last two years with most of the CCG's contracts operating as block contract the CCG do use benchmarking in a number of areas.

Right Care benchmarking is used when available to identify improvement opportunities. In addition, the Calderdale system has recently used performance data to identify specialties with outliers in performance such as ENT and Trauma and orthopaedics at Calderdale and Huddersfield NHS Foundation Trust. The CCG has been actively working with the Trust to create new pathways to manage activity in these areas.

Improving economy, efficiency and effectiveness



We considered how the CCG:

- uses financial and performance information to assess performance to identify areas for improvement
- evaluates the services it provides to assess performance and identify areas for improvement
- ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives
- where it commissions or procures services assesses whether it is realising the expected benefits.

As part of our work last year, 2020-21, we benchmarked the CCG's performance in a range of areas, including financial, operational and clinical with the performance of other NHS bodies. We identified a few areas where the CCG's performance was below other CCGs including:

1. People with severe mental illness receiving physical health checks
2. Injuries from falls in people aged 65 and over
3. Diagnosis rates for people with dementia.

The CCG was already aware of these areas and was taking action to address. Given the on-going impact of Covid-19, the CCG has continued to focus on these areas alongside the key NHS priority of response and recovery which includes reducing backlogs, A&E waits and getting NHS services back to some degree of normality.

Integrated Care Bards (ICBs)

On 6 July 2021, The Health and Care Bill was introduced and was given Royal Assent on 28 April 2022. The Health and Care Act is aimed at removing barriers to integration, with NHS and local authorities having a duty to collaborate on the Health and Care agenda. From 1 July 2022, ICBs will take on the commissioning functions and the assets and liabilities from the demising CCGs in their area.

Arrangements within West Yorkshire (WY) ICB are progressing with key officer and NED appointments now in place, key governance structures established, readiness to operate statements, risk assessed critical paths and transition plan arrangements in place. There is an established system reform programme working with the existing local authority areas, with workstreams, due diligence programmes and procedures in place that are largely on track, for 1 July 2022 vesting day.

The WY ICB will operate at system, local place by local authority area and neighbourhoods with the overall aim to improve population health and care, tackle unequal outcomes and access and enhance productivity and value for money.

ICS/ ICB - Looking ahead

The move to a WY ICB also presents significant challenges and opportunities for Calderdale, both at a local and ICS/ ICB level, such as the final development and approval of a strategy for reconfiguration of the healthcare estate and establishing a consistent and integrated approach to performance reporting.

The CCG has benefited from the strong support and active participation in the development of the ICS/ ICB arrangements from its Lay Members and senior managers. For example, the CCG's Chair, Accountable Officer and senior managers have engaged with system leaders directly on various matters such as provider collaborative activities, contract waivers and wider governance developments. Senior NHS Managers continue to be actively involved in various workstreams including finance, ICS development and the design of functions at both a system and place level with strategic partners.

Lay members and senior officers need to continue to play a vital role in addressing the significant clinical and care area challenges, including improving elective throughput and seeking out effective care pathways.

8. Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
<p>1 We recommend that the CCG continues to monitor planned expenditure and the deliverability of savings schemes.</p> <p>The Covid-19 pandemic has meant the CCG had to pause its Wellbeing Strategy: Living a Larger Life during 2020-21 aimed at driving system change and new ways of working across Health and Social Care. The CCG's efficiency plans were put on hold during 2020-21 to address the pandemic. It will be essential to work with partner organisations on effective efficiency plans across the wider system to establish financial balance across the ICS.</p>	Improvement	September 2021	<p>The CCG has continued to monitor its planned expenditure and delivery of savings throughout 2021-22 and delivered its savings target of £4.2m.</p> <p>For 2022-23, the West Yorkshire Integrated Care System has one plan for the 12 month period. As current statutory arrangements are not in place until 1 July 2022, the CCG plan will be for three months with an allocation adjustment to ensure a balanced position with the remaining plan becoming the responsibility of the West Yorkshire Integrated Care System. Whilst the 2022-23 financial plans have been prepared in accordance with NHSE guidance, there remains system risks due to the financial deficit in the medium term, and risks due to inflation and activity demand pressures.</p>	Yes	No
<p>2 We recommend that the CCG continues to:</p> <ul style="list-style-type: none"> Engage with the ICS system to ensure there are robust decision-making arrangements in place so that health and social care services are commissioned at the appropriate system or local level Contribute to the development of ICS and local level workforce, financial plans and ensure appropriate governance arrangements are in place. 	Improvement	September 2021	<p>The CCG has continued to engage with the West Yorkshire ICS throughout 2021-22. Progress has been reported to the CCG's Governing Body on a regular basis.</p> <p>The CCG's Chair, Accountable Officer and senior managers have engaged with system leaders directly on various matters such as provider collaborative activities, contract waivers and wider governance developments. Senior NHS Managers continue to be actively involved in various workstreams including finance, ICS development and the design of functions at both a system and place level with strategic partners.</p>	Yes	No

9. Opinion on the financial statements



Audit opinion on the financial statements

We have completed our audit of your financial statements and issued an unqualified audit opinion on 20 June 2022.

Opinion on regularity

We have completed our regularity work and issued our regularity opinion on 20 June 2022. We have no issues to report.

Other opinion/key findings

Our work reviewing your Annual Report, Annual Governance Statement and Remuneration and Staff reports identified no matters other than a few minor disclosure issues which were corrected by management.

Audit Findings (ISA260) Report (AFR)

More detailed findings can be found in our AFR, which forms part of the papers presented and reported to the CCG's Audit Committee on 20 June 2022.

Whole of Government Accounts

To support the audit of the NHS England group accounts and the Whole of Government Accounts, we are required to examine and report on the consistency of the CCG's consolidation schedules with their audited financial statements. This work includes performing specified procedures under group audit instructions issued by the National Audit Office.

Our work found no issues.

Preparation of the accounts

The CCG provided draft accounts in line with the national deadline and provided a good set of working papers to support it.

Issues arising from the accounts:

There no audit adjustments to the CCG's outturn position and only minor disclosure requirement changes have been made to the final Annual Accounts and Annual Report.

Grant Thornton provides an independent opinion on whether the accounts are:

- True and fair
- Prepared in accordance with relevant accounting standards
- Prepared in accordance with relevant UK legislation.



Appendices

Appendix A – Responsibilities of the CCG

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Accountable 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 Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Accountable Officer is also responsible for ensuring the regularity of expenditure and income.

The Accountable Officer is required to comply with the Department of Health & Social Care Group Accounting Manual and prepare the financial statements on a going concern basis, unless the CCG is informed of the intention for dissolution without transfer of services or function to another entity. An organisation prepares accounts as a 'going concern' when it can reasonably expect to continue to function for the foreseeable future, usually regarded as at least the next 12 months.

The CCG is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B – Risks of significant weaknesses, our procedures and findings

As part of our planning and assessment work, we considered whether there were any risks of significant weakness in the CCG's arrangements for securing economy, efficiency and effectiveness in its use of resources that we needed to perform further procedures on.

We identified no significant weaknesses at the CCG.

Appendix C – An explanatory note on recommendations

A range of different recommendations can be raised by the CCG’s auditors as follows:

Type of recommendation	Background	Raised within this report	Page reference
Statutory	Written recommendations to the CCG under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.	No	N/A – No recommendations made
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the CCG. We have defined these recommendations as ‘key recommendations’.	No	N/A – No recommendations made
Improvement	These recommendations, if implemented should improve the arrangements in place at the CCG, but are not a result of identifying significant weaknesses in the CCG’s arrangements.	No	N/A – No recommendations made

