

Auditor's Annual Report on NHS Bristol, North Somerset and South Gloucestershire Clinical Commissioning Group

For the period 1 April to 30 June 2022

June 2023



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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.

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.

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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 in Appendix I.

The Code of Audit Practice requires auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, covering the following 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 (3-5 years).



Governance

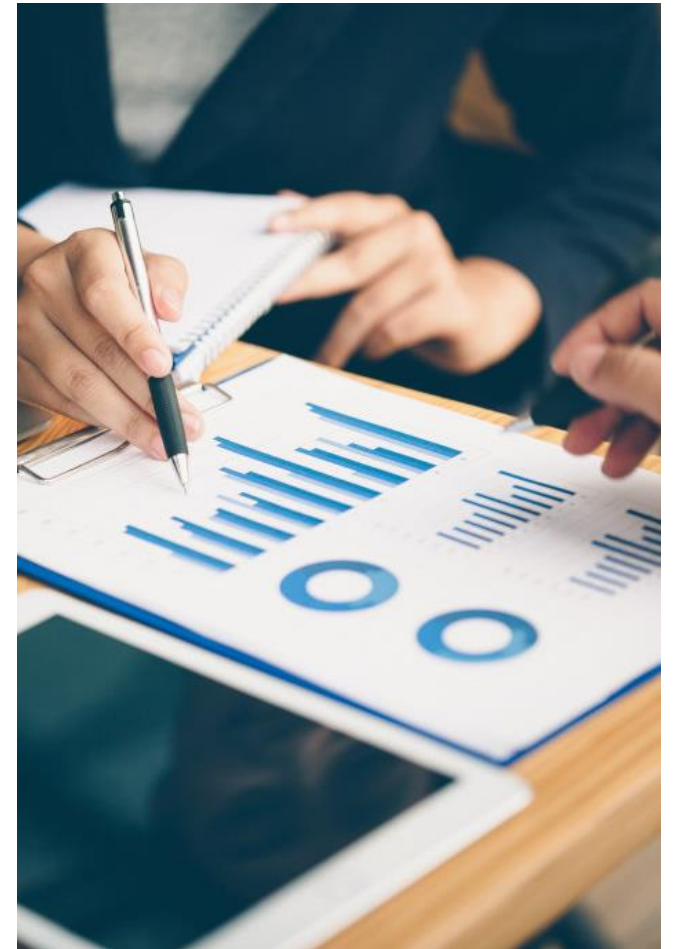
Arrangements for ensuring that the CCG makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the CCG makes decisions based on appropriate information.












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.

For bodies that demise part way through a financial year, such as NHS Bristol, North Somerset and South Gloucestershire Clinical Commissioning Group, auditors are not required to issue a commentary on arrangements. However, auditors are still required to report any significant weaknesses in the CCG's arrangements, should they come to their attention. Our overall conclusions are summarised overleaf.



Value for money arrangements

Criteria	Risk assessment	2021/22 auditor judgement	1 April – 30 June 22 auditor judgement	Direction of travel
Financial sustainability	Risk identified because of the CCG's significant cumulative deficit.	 No significant weaknesses in arrangements identified.	 No significant weaknesses in arrangements identified.	
Governance	No risks of significant weakness identified	 No significant weaknesses in arrangements identified, but two improvement recommendations carried forward from our previous AAR.	 No significant weaknesses in arrangements identified. As our report in respect of 2021-22 was not presented until June 2022 the CCG did not have opportunity to address the improvement recommendations made. These are repeated for completeness at Appendix III.	
Improving economy, efficiency and effectiveness	Risk identified because of the inadequate rating of the CCG's main provider of healthcare	 No significant weaknesses in arrangements identified.	 No significant weaknesses in arrangements identified.	

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



The range of recommendations that external auditors can make is explained in Appendix II

Use of auditor's powers

We bring the following matters to your attention:

Statutory recommendations

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

We did not issue Statutory Recommendations.

Section 30 referral

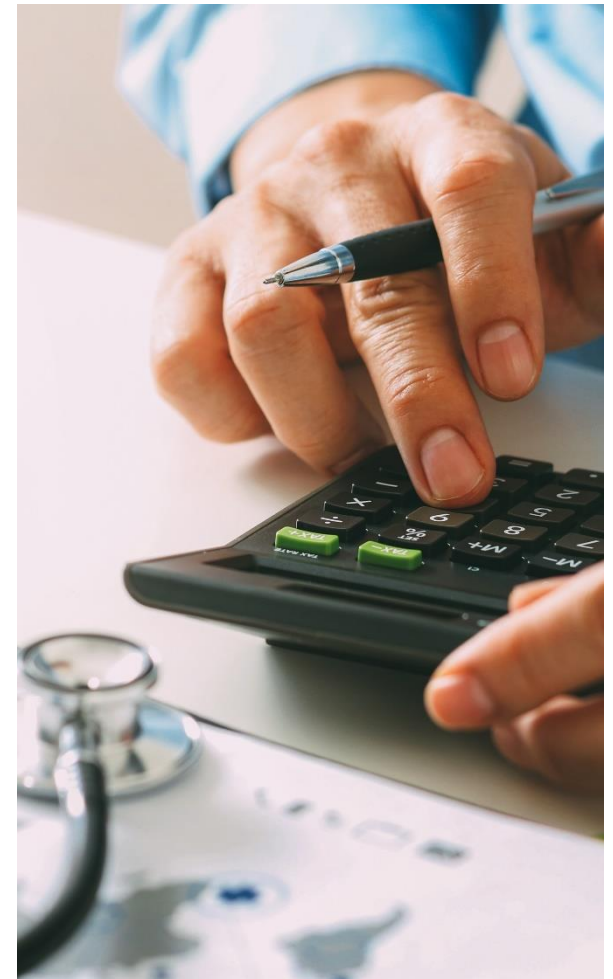
Under Section 30 of the Local Audit and Accountability Act 2014, the auditor of a Clinical Commissioning Group has a duty to consider whether there are any issues arising during their work that indicate possible or actual unlawful expenditure or action leading to a possible or actual loss or deficiency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

We did not issue a Section 30 referral.

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 did not issue a Public Interest Report.



Opinion on the financial statements



Grant Thornton provides an independent opinion on whether the CCG's financial statements are:

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

Audit opinion on the financial statements

We are planning to give an unqualified opinion on the CCG's financial statements.

Audit Findings Report (AFR)

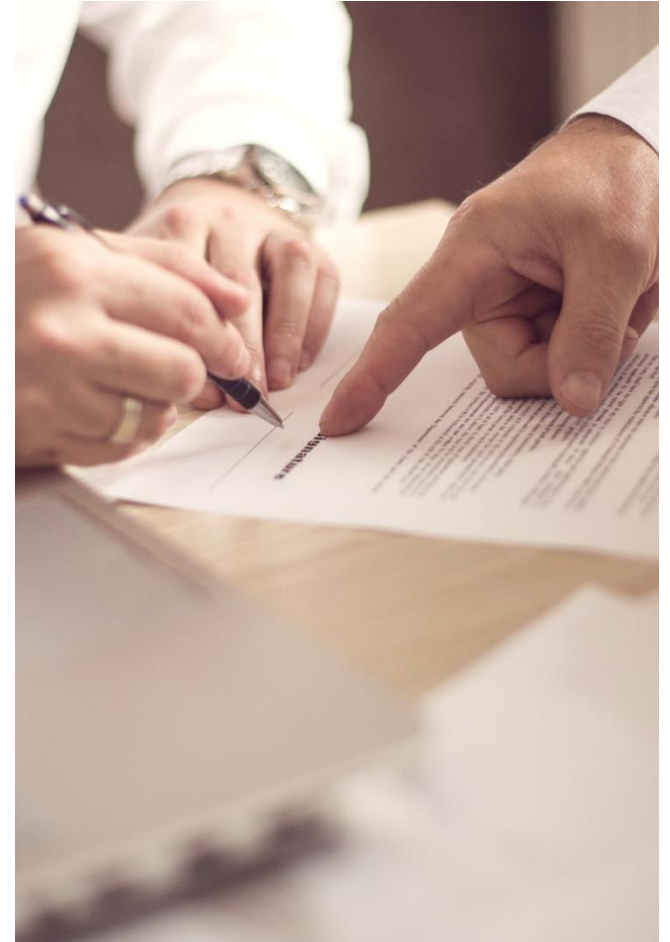
More detailed findings can be found in our AFR, which was reported to the Audit and Risk Committee at the June 2023 meeting.

Preparation of the financial statements

Draft financial statements were provided in line with the national deadline, along with a good set of supporting working papers.

Issues arising from the audit of the financial statements:

Our work is still on-going at this stage. More detailed findings can be found in our AFR, which was reported to the Audit and Risk Committee at the June 2023 meeting.



Opinion on regularity and Whole of Government Accounts work



Opinion on regularity

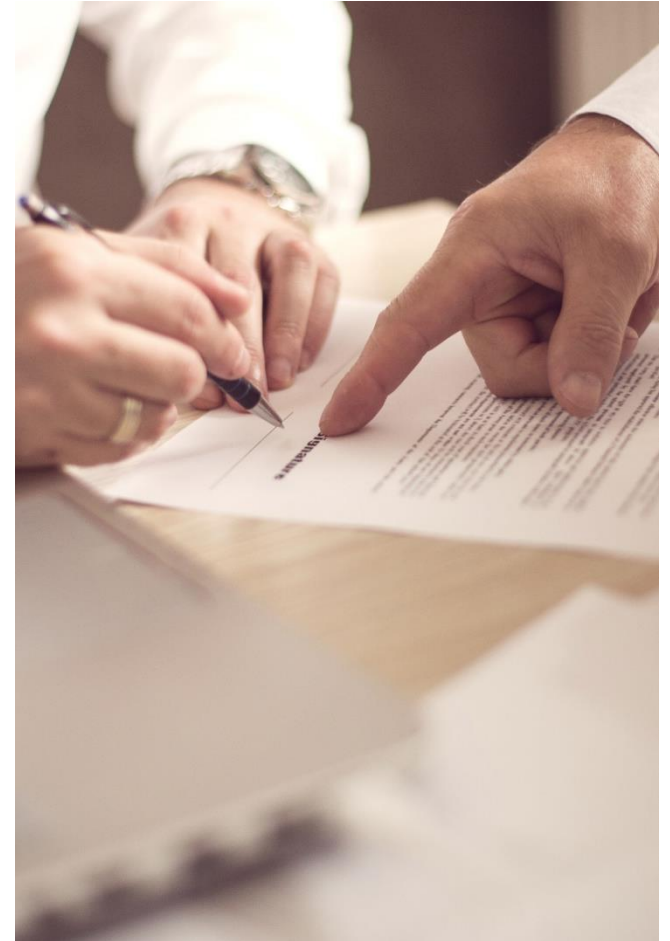
Auditors are required by section 21 of the Local Audit and Accountability Act 2014 to include in the opinion their view on the regularity of the CCG's income and expenditure, that is to say, that money provided by Parliament has been expended for the purposes intended by Parliament; resources authorised 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 are planning to give an unqualified regularity opinion alongside our financial statement's opinion.

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 is still on going in this area.



Appendices

Appendix I – 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. A public sector organisation prepares accounts as a 'going concern' when it can reasonably expect to continue to deliver services 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 II – 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
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 to address the weakness. We have defined these recommendations as ‘key recommendations’. Following the demise of CCGs, key recommendations are reported to the successor Integrated Care Board.	No	N/A
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. Improvement recommendations may have been made as part of the auditor’s work on value for money arrangements for 2021/22. Given the demise of CCGs, auditors will not seek to make improvement recommendations as part of their value for money arrangements work on the 1 April – 30 June 2022 period.	No	N/A

Appendix III – Recommendations raised in the 2021/22 Annual Auditors Report

The recommendations below were raised in the 2021/22 annual auditors report and for completeness are reported below.



Governance

Recommendation 1

We would recommend that the CCG reviews the quantity of 'closed' papers and ensures that this forum is only used when needed.

Why/impact

To demonstrate openness the CCG should only take papers to a closed session where it is essential that the item remains confidential.

Summary findings

We noted that the CCG holds a monthly 'closed' Governing Body meeting that has its own agenda and is a separate meeting to the 'open' Governing Body meeting. Upon review of the monthly agendas we noted that there were numerous papers taken to this meeting each month.

Management Comments

The CCG does hold closed sessions of the Governing Body meetings where matters are discussed in advance of information being shared with the public in open governing body meetings.

Appendix III - continued

The recommendations below were raised in the 2021/22 annual auditors report and for completeness are reported below.



Governance

Recommendation 2

We recommend that the CCG reviews all policies and procedures and ensure that these are updated to remain current. We would also recommend that the CCG maintains a central register of policies and procedures, including date of review, to ensure that these do not become outdated.

Why/impact

Out of date policies may not reflect the latest guidance or requirements. There is a risk that the CCG does not adhere to appropriate legislation, regulation or professional standards.

Summary findings

We noted some of the CCG's policies had past their review dates. These included the Disciplinary Policy and the Procurement Policy.

Management Comments

The CCG maintains a policy register and policies are reviewed, this has included the disciplinary policy which was agreed by the CCG Governing Body in June 2022. Arrangements will be reviewed to ensure that the policy framework is reviewed to ensure that review activities take place in a timely manner.



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