

Independent Reasonable Assurance Report**(ISAE 3000 Engagement)****For the period from 1 April 2018 to 31 March 2019****NHS Hambleton, Richmondshire and Whitby Clinical Commissioning Group**

The Governing Body
NHS North Yorkshire Clinical Commissioning Group
Civic Centre
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3 July 2020

Independent Reasonable Assurance Report on NHS Hambleton, Richmondshire and Whitby Clinical Commissioning Group's (CCG's) Mental Health Investment Standard Statement of Compliance for the year ended 31 March 2019**Introduction**

We have addressed this report to the Governing Body of NHS North Yorkshire CCG as the successor body of NHS Hambleton, Richmondshire and Whitby CCG. All further references to the CCG in this report relate to NHS Hambleton, Richmondshire and Whitby CCG.

We were engaged by the Governing Body of NHS Hambleton, Richmondshire and Whitby CCG (the CCG) to perform a reasonable assurance engagement on the CCG's Mental Health Investment Standard Statement of Compliance dated 2 July 2020 for the year ended 31 March 2019 (the MHIS Statement of Compliance). We were engaged in accordance with the engagement letter dated 23 August 2019, and the engagement terms included a limitation of liability as set out in paragraph 7.2 of the engagement letter.

Scope

The objective of this engagement is to provide an opinion on whether the CCG's MHIS Statement of Compliance has been the properly prepared, in all material respects, based on the criteria set out in the "Assurance Engagement of the Mental Health Investment Standard - Briefing for Clinical Commissioning Groups" published by NHS England, dated November 2019.

From 2018/19 all CCGs are required to publish a statement after the end of the financial year to state whether they have met their obligations with regard to the mental health investment standard, i.e., whether their investment in mental health for the financial year either has or has not increased by a greater percentage than has their overall allocation. We have referred to this statement below as the "Mental Health Investment Standard Statement of Compliance".

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We are registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at www.auditregister.org.uk under reference number C001139861. VAT number: 839 8356 73

Management's responsibilities

The CCG is responsible for the preparation and publication of a Mental Health Investment Standard Statement of Compliance after the end of the financial year to state whether it has met its obligations with regard to the mental health investment standard, i.e., whether its investment in mental health for the financial year ended 31 March 2019 either has or has not increased by a greater percentage than has its overall allocation.

The CCG is responsible for preparing a summary of expenditure in the form specified in NHS England Guidance "Assurance Engagement of the Mental Health Investment Standard - Briefing for Clinical Commissioning Groups", and should prepare supporting papers to evidence the expenditure incurred.

The CCG is responsible for ensuring that the MHIS Statement of Compliance has been properly prepared based on the specified criteria contained within NHS England Guidance "Assurance Engagement of the Mental Health Investment Standard - Briefing for Clinical Commissioning Groups".

The information used by management to calculate whether the Mental Health Investment Standard has been met is included in the Appendix to this report.

Our independence

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standard Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

In conducting our engagement, we confirm that we satisfy the criteria for assurance providers as set out in NHS England guidance, i.e., "Assurance Engagement of the Mental Health Investment Standard - Briefing for Clinical Commissioning Groups" to carry out the assurance engagement.

Our responsibility

Our responsibility is to report, in accordance with the ISAE 3000 standard, whether the CCG's MHIS Statement of Compliance has been the properly prepared, in all material respects, based on the criteria set out in the "Assurance Engagement of the Mental Health Investment Standard Briefing for Clinical Commissioning Groups" published by NHS England.

We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000 Assurance Engagements other than Audits of Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board and the guidance set out in NHS England's "Assurance Engagement of the Mental Health Investment Standard - Briefing for Clinical Commissioning Groups". NHS England's guidance requires that we plan and perform this engagement to obtain a reasonable level of assurance.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about the fairness of the MHIS Statement of Compliance. The nature, timing and extent of procedures selected depend on our judgement, including the risk of material misstatements, whether due to fraud or error, in the MHIS Statement of Compliance. In making those risk assessments, we considered:

- the CCG's method of compilation of the Mental Health Investment Standard Statement of Compliance (as reported in the CCG's non ISFE template) and the headline calculations on which it is based; and
- the internal controls applied by the CCG over the preparation of the statement and the headline calculations and the design of those controls relevant to the engagement to determine whether they have been implemented.

Our reasonable assurance engagement included:

- Verifying the percentage increase in spending on mental health in 2018/19 included in the headline calculations in line with NHS England guidance.
- Verifying the percentage increase in the CCG's allocation included in the headline calculations and checking that it is per published CCG allocations.
- Carrying out sample testing on the mental health expenditure included in the headline calculations and supporting schedules to check whether it meets the definition of mental health expenditure properly incurred as set out in the relevant Group Accounting Manual and NHS England guidance.
- Verifying the factual accuracy of the MHIS Statement of Compliance based on work undertaken.
- Obtaining and considering written representations from the CCG, including:
 - that the CCG has provided us with all the information relevant to the engagement; and
 - confirmation that the CCG's measurement of the underlying subject matter against the applicable criteria and its preparation of the headline calculation on which the statement is based, including confirmation that all relevant matters are included in the Mental Health Investment Standard Statement of Compliance and supporting calculations.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Inherent limitations

Our objectives are to obtain reasonable assurance about whether the CCG's Mental Health Investment Standard Statement of Compliance for the period ended 31 March 2019 is properly prepared, in all material respects, based on the criteria set out in the "Assurance Engagement of the Mental Health Investment Standard - Briefing for Clinical Commissioning Groups" published by NHS England.

Reasonable assurance is a high level of assurance, but is not a guarantee that a review conducted in accordance with the ISAE 3000 standard will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the MHIS Statement of Compliance.

In particular, we highlight that we have followed the guidance issued by NHS England in November 2019 that, for the purposes of giving our reasonable assurance opinion, we were not required to undertake any testing on the underlying information or systems maintained by third parties, such as the Business Services Authority, NHS providers and local authorities. Testing of the third-party information provided by the CCG was, therefore, outside the scope of this reasonable assurance engagement.

Our testing on the mental health expenditure included in the headline calculations and supporting schedules was done on a sample basis. The materiality level we calculated in relation to 2017/18 MHIS expenditure was £362k and in relation to 2018/19 MHIS expenditure was £369k.

Use of the reasonable assurance report

This report is made solely to the Members of the Governing Body of the CCG. Our work has been undertaken so that we might state to the Members of the Governing Body of the CCG those matters we are required to state to them in accordance with NHS England guidance and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Governing Body of the CCG, as a body, for our work, for this report, or for the opinions we have formed.

While NHS England require the CCG to provide it with a copy of our report, this is provided on the basis that we do not owe a duty of care to NHS England, as set out in paragraph 2.4 of the engagement letter and in the guidance issued by NHS England.

Qualified opinion – except for

In our opinion NHS Hambleton, Richmondshire and Whitby CCG's Mental Health Investment Standard Statement of Compliance for the period ended 31 March 2019 is properly prepared, in all material respects, based on the criteria set out in the "*Assurance Engagement of the Mental Health Investment Standard - Briefing for Clinical Commissioning Groups*" published by NHS England, except for the matters identified in the basis for qualified opinion paragraphs below.

Basis for qualified opinion – except for

We highlight the matters detailed below in respect of which our opinion is qualified.

- **Mental Health Act detentions (£4,255K 2017/18 and £4,514K 2018/19):** the CCG has included all Mental Health Act detention spend within the MHIS totals. The guidance does not specify whether all Mental Health Act detention spend should be included or whether spend relating to dementia or learning disabilities should be excluded. The CCG's assertion is that any detentions under the Mental Health Act are eligible to be included in the MHIS totals, however we have no assurance that this expenditure does not include spend on dementia and learning difficulties. The CCG cannot disaggregate Mental Health Act detention spend in respect of dementia and learning disabilities as records have not been maintained to identify these separately. Although we note the uncertainty of what should and should not be included within Mental Health Act detention disclosures, we note that the CCG has adopted a consistent approach between the two years.
- **Continuing Health Care (CHC) Mental Health Spend (£2,074k 2017/18, £2,218k 2018/19):** the CCG has taken the CHC Mental Health spend from the QA database, which in 2018/19 differed from the ledger and accounts due to retrospective corrections for care packages provided over the previous 5 years that were invoiced in 2018/19. The QA database historically understated the true CHC costs as evidenced by the limited assurance Internal Audit opinions and subsequent data cleansing. The use of the QA database for both years ensures a consistent source and avoids 2018/19 being distorted by

retrospective adjustments but we have reported an except for qualification in respect of CHC expenditure as it has been derived from materially uncertain data.

In relation to the above 'except for' qualifications, we draw particular attention to the low margin for error in relation to the MHIS Statement of Compliance that the MHIS has been met. The difference between the increase that the CCG is required to make in mental health expenditure in 2018/19 based on its overall programme increase and the actual mental health expenditure included as the final position in the Appendix to this report is only £30K. This means that if there were underlying errors in the 2017/18 or 2018/19 figures for mental health expenditure arising from the uncertainties where we have been unable to obtain assurance, these errors would not need to be very significant to impact on the overall assertion that the MHIS has been met or has not been met.

Other matter

The CCG's MHIS Statement of Compliance is based on the headline calculations of eligible mental health expenditure in 2017/18 and 2018/19. As required by the guidance, the CCG's original submission comprised the 2017/18 expenditure from the 2018/19 planning template (final submission) and the 2018/19 expenditure from the final non-IFSE submission for that year. The CCG, however, identified that the costs of mental health prescribing had been omitted from the 2017/18 figure and revised their submission. For the purposes of our reporting the figures on which the MHIS Statement of Compliance have been re-calculated are as shown in the 'Revised' column of the attached Appendix.



[Mark Kirkham \(Jul 3, 2020 10:07 GMT+1\)](#)

3 July 2020

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Enclosure

NHS Hambleton, Richmondshire and Whitby CCG's MHIS Statement of Compliance dated 2 July 2020.

APPENDIX
SUMMARY OF THE CALCULATION OF THE MENTAL HEALTH INVESTMENT STANDARD

We did not identify any misstatements in the MHIS return but the CCG had already revised the MHIS total for 2017/18 as shown in the following table.

	Original (1)	Revised (2)
2017/18 £000	16,639	17,999
2018/19 £000	18,457	18,457
% increase in spend	10.93%	2.55%
% increase in programme growth per 2018/19 NHSE outturn submission	2.38%	2.38%
MHIS Requirement Met?	Yes	Yes

(1) Original figures submitted for audit, being derived from the required sources:

- 2017/18 – the 2018/19 NHSE planning submission; and
- 2018/19 – the 2018/19 NHSE outturn submission.

(2) Revised totals, being amended for the revised 2017/18 submission to correct the omission of prescribing from the original return.