

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

The Governing Body  
NHS North Yorkshire Clinical Commissioning Group  
York House  
St Nicholas Street  
Scarborough  
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03 July 2020

**Independent Reasonable Assurance Report on NHS Scarborough and Ryedale 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 Scarborough and Ryedale CCG. All further references to the CCG in this report relate to NHS Scarborough and Ryedale CCG.

We were engaged by the Governing Body of NHS Scarborough and Ryedale 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 21 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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## **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. Where errors identified from our work have been corrected by management, the revised calculations are also shown in the Appendix.

## **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, except as set out in the 'Basis for Qualified Conclusion' section below.

### **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 for 2017/18 MHIS expenditure was £0.251m and for 2018/19 MHIS expenditure was £0.260m.

### **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 requires 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 Scarborough and Ryedale 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.

- **Continuing Health Care Mental Health Spend (£1.250 million 2017/18 and £1.782 million 2018/19):** the CCG has taken the Continuing Healthcare (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 QA system includes several classifications of care. The CCG has included the mental health category, however we note that an individual included in this category could have multiple needs, including dementia and learning disabilities. In addition, we have no assurance over the accuracy of coding in the CHC system. The use of the QA database for both years ensures a consistent but we have reported an except for qualification in respect of CHC expenditure as it has been derived from materially uncertain data.

- **Mental Health Out of Contract, including Section 117 referrals, spend (£0.334m 2017/18 and £0.299m 2018/19):** In 2017/18 Scarborough and Ryedale CCG hosted the contract on behalf of three North Yorkshire CCGs. At month 9 of 2018/19, Harrogate and Rural District CCG (HaRD) took host responsibility for the contracts. For 2017/18 and up to month 9 of 2018/19, the CCG has detailed working papers demonstrating how costs were apportioned to each CCG based on patient data. While we have agreed the spend to supporting data, we have no assurance over whether the apportionment of costs between CCGs is reasonable. Similarly we have no assurance that the final 3 months data provided by the HaRD CCG is based on an appropriate apportionment basis. Additionally the guidance is unclear on whether all spend, such as Section 117 spend, should be included or whether spend relating to dementia or learning disabilities should be excluded. The CCG cannot readily disaggregate referral spend in respect of dementia and learning disabilities as records to identify the split are not held by the CCG. An estimate for both years has been made to determine dementia and learning disability spend. We note that the CCG has adopted a consistent approach between the two years in estimating spend.
- **Specialist Rehabilitation Brain Injury spend (£0.705m 2017/18 and £0.401m 2018/19):** In both years Vale of York CCG hosted the services on behalf of the North Yorkshire CCGs, including Scarborough and Ryedale CCG. Costs are apportioned between the CCGs based on a risk share arrangement. While we are satisfied costs and apportionment methods have been treated consistently between both years we have been unable to obtain assurance that the apportionment adopted is reasonable.

The MHIS totals have not been amended for the above qualification points as they reflect uncertainty about the figures provided rather than the identification of misstatements.

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 £0.062m. 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 increase 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. Neither of these returns were subject to any form of assurance at the time of submission, and NHS England has indicated that the 2017/18 figures have been published and are unable to be changed. For the purposes of our reporting, where we have identified



errors in the original submissions and these have been agreed with the CCG, the figures on which the MHIS Statement of Compliance have been recalculated are as shown in the 'Revised' column of the attached Appendix.

  
Mark Kirkham (Jul 3, 2020 12:42 GMT+1)

Jul 3, 2020

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**Enclosure**

NHS Scarborough and Ryedale CCG's MHIS Statement of Compliance dated 2 July 2020.

## APPENDIX

### SUMMARY OF THE CALCULATION OF THE MENTAL HEALTH INVESTMENT STANDARD

Following our work and identification of errors, where some items of expenditure had initially been incorrectly categorised as mental health, the CCG has recalculated the MHIS total for both 2017/18 and 2018/19, as shown in the following table.

	<b>Original (1)</b> <b>£'000</b>	<b>Revised (2)</b> <b>£'000</b>
<b>2017/18</b>	12,259	12,566
<b>2018/19</b>	13,538	12,982
% increase in spend	10.43%	3.31%
% increase in programme growth per 2018/19 NHSE outturn submission	2.82%	2.82%

(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 other errors identified from our work.