

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

The Governing Body
NHS Vale of York Clinical Commissioning Group
West Offices
Station Rise
York
YO1 6GY

7 July 2020

Independent Reasonable Assurance Report on NHS Vale of York Clinical Commissioning Group's (CCG's) Mental Health Investment Standard Statement of Compliance for the year ended 31 March 2019

Introduction

We were engaged by the Governing Body of NHS Vale of York CCG (the CCG) to perform a reasonable assurance engagement on the CCG's Mental Health Investment Standard Statement of Compliance dated 6 July 2020 for the year ended 31 March 2019 (the MHIS Statement of Compliance). We were engaged in accordance with the engagement letter dated 16 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 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 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 in relation to 2017/18 MHIS expenditure was £712,350 and in relation to 2018/19 MHIS expenditure was £771,500.

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 Vale of York 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 prescribing spend (£2,471k 2017/18, £2,578k 2018/19):** this is based on total prescribing spend and percentages of prescribing related to mental health derived from NHS Business Services Authority (BSA) information. We understand the basis for allocating costs to mental health prescribing resulted from a national programme budget category (PBC) exercise to map prescribing to 23 categories of care including mental health, which is then applied to the prescribing costs for the CCG for each year. The CCG has used the 2017/18 percentage for both years, has used inconsistent spend, using acute and other prescribing in 2017/18 and only acute prescribing in 2018/19. The CCG has also excluded no cheaper stock obtainable (NCSO) prescribing in 2018/19 which is out of line with NHSE guidance issued in FAQs. Amendments to make the calculation basis consistent and more accurate do not have a significant impact on the percentage increase between years.

- **Continuing health care (CHC) (£3,532k 2017/18, £2,660k 2018/19):** CHC spend is derived from the QA system which was hosted by Scarborough and Ryedale CCG until February 2018 and then brought in-house. The hosted QA database historically understated the true CHC costs as evidenced by limited assurance Internal Audit opinions and subsequent data cleansing. Retrospective corrections for care packages provided over the previous 5 years were invoiced by the host in 2018/19, the CCG has not included these additional costs. The basis of calculation between years is also different, for 2017/18 the CCG used uplifted 2016/17 values, for 2017/18 the CCG estimated based on period 11 in-year values. Comparison of estimates to actual spend shows that the 2017/18 was £290k understated and 2018/19 was in line with expectations.
- **Other out of contract (£2,663k 2017/18 £7,387k 2018/19):** for 2017/18 Scarborough and Ryedale CCG provided the total spend and the allocation basis to apply to estimate the mental health element. The CCG brought the service in-house in February 2018 but continued to apply the allocation basis supplied by Scarborough and Ryedale CCG to the recorded spend for the remainder of 2017/18. The 2018/19 spend has been tested to invoices but information included in City of York Council's invoices does not provide sufficient information to confirm eligibility to be included as mental health.

The MHIS totals have not been amended for the above qualification points.


Mark Kirkham (Jul 7, 2020 14:47 GMT+1)

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Partner

For and on behalf of Mazars LLP
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Enclosure

NHS Vale of York CCG's MHIS Statement of Compliance dated 6 July 2020

APPENDIX

SUMMARY OF THE CALCULATION OF THE MENTAL HEALTH INVESTMENT STANDARD

There have been no changes in the MHIS totals submitted by the CCG for 2017/18 and 2018/19 as a result of our work, as shown in the following table.

	Original (1)
2017/18 £000	46,844
2018/19 £000	51,434
% increase in spend	9.8%
% increase in programme growth per 2018/19 NHSE outturn submission	2.8%

(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.