

## **Reasonable Assurance Report**

### **Independent Reasonable Assurance Report ISAE (UK) 3000 Engagement For the period from 1 April 2019 to 31 March 2020 NHS Hartlepool and Stockton on Tees CCG**

The Governing Body  
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### **And NHS England and NHS Improvement**

12 April 2021

### **Independent Reasonable Assurance Report on NHS Hartlepool and Stockton on Tees CCG's 2019/20 Mental Health Investment Standard Compliance Statement to the Governing Body of NHS Hartlepool and Stockton on Tees CCG and NHS England for the year ended 31 March 2020**

## **Introduction**

We have addressed this report to the Governing Body of NHS Tees Valley CCG as the successor body to NHS Hartlepool and Stockton on Tees CCG. All further references to the CCG in this report relate to NHS Hartlepool and Stockton on Tees CCG.

This reasonable assurance report (the "Report") is made in accordance with the terms of our engagement letter dated 17 December 2020 (the "Engagement Letter") for the purpose of reporting to the Governing Body of NHS Hartlepool and Stockton on Tees CCG (the "CCG") and NHS England and NHS Improvement in connection with the CCG's Mental Health Investment Standard compliance statement dated 31 March 2021 for the year ended 31 March 2020 (the "Statement"), which is attached. As a result, this Report is not suitable for another purpose.

## **Scope**

The objective of this engagement is to provide an opinion on whether the CCG's Mental Health Investment Standard (MHIS) Compliance Statement 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 2019/20 - Briefing for Clinical Commissioning Groups" published by NHS England.

The planning guidance for 2019/20 issued by NHS England and NHS Improvement stated that: "CCGs must continue to increase investment in mental health services, in line with the Mental Health Investment Standard (MHIS). For 2019/20 the standard requires CCGs to increase spend by at least their overall programme allocation growth plus an additional percentage increment to reflect the additional mental health funding included in CCG allocations for 2019/20..... in every case will be subject to independent auditor review."

Each CCG is required to publish a statement after the end of the financial year to state whether they consider that they have met their obligations with regard to the MHIS (the "Statement"). The format and content of the Statement should be in line with the specified wording in the Assurance Engagement of the Mental Health Investment Standard 2019/20 - Briefing for Clinical Commissions Groups (the "Guidance") issued by NHS England and NHS Improvement.

### **Responsibilities of the CCG**

The CCG's Accountable Officer is responsible for the preparation of the Statement for the year ended 31 March 2020 and for the completeness and accuracy of the accounting records and calculations (the "Relevant Information") that forms the basis for the preparation of the Statement. This includes the design, implementation and maintenance of internal controls relevant to the preparation of the Statement to ensure that mental health expenditure is correctly classified and included in the calculations and that the Statement is free from material misstatement, whether due to fraud or error.

### **Relevant Information to be used in the preparation of the Statement**

The relevant information to be used in the preparation of the Statement is set out in the guidance. This includes:

- Total expenditure on mental health in the year ended 31 March 2020, which is consistent with the definitions used for programme budgeting, as set out in the guidance
- The CCG's target spend for the year, as confirmed by NHS England and NHS Improvement.

The guidance sets out what constitutes eligible mental health expenditure for the purpose of the MHIS and the Statement.

The CCG's Accountable Officer was required to provide us with:

- access to all information of which management is aware that is relevant to the preparation of the Statement, including procuring any such records held by a third party so they were made available to us;
- additional information that we requested from management for the purpose of the engagement; and
- unrestricted access to persons within the CCG from whom we determined it necessary to obtain evidence.

### **Our responsibility**

Our responsibilities are to express a conclusion on the accompanying Statement. We conducted our engagement in accordance with UK Standard on Assurance Engagements (ISAE (UK) 3000)), Assurance engagements other than audits or reviews of historical financial information. ISAE (UK) 3000 requires us

to form an opinion as to whether the Statement has been properly prepared, in all material respects, in accordance with the criteria set out in the guidance.

We apply International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

For the purpose of the engagement we have been provided by the CCG with a copy of their draft MHIS compliance statement showing the CCG's eligible MHIS expenditure and its target spend for 2019/20, together with a more detailed expenditure summary. The Accountable Officer of the CCG remain solely responsible for the Statement.

We performed a reasonable assurance engagement as defined in ISAE (UK) 3000. The objective of a reasonable assurance engagement is to perform such procedures [on a sample basis] as to obtain information and explanations which we consider necessary in order to provide us with sufficient appropriate evidence to express a positive conclusion on the Statement.

A reasonable assurance engagement in accordance with ISAE (UK) 3000 involves performing procedures to obtain evidence about the fairness of the MHIS Compliance Statement. 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 Compliance Statement 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 that the total 2019/20 spend is equal or above the target spend as provided by NHS England.
- 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 Guidance.
- Verifying the factual accuracy of the MHIS Compliance Statement 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.
  - 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 Compliance Statement and supporting calculations.

We have examined the records of the CCG, performing such procedures on a sample basis so as to obtain information and explanations which we considered necessary having regard to the guidance issued by NHS

England and NHS Improvement and received such explanations from the management of the CCG in order to provide us with sufficient appropriate evidence to form our conclusion on the Statement.

The scope of our testing covered the total MHIS expenditure included in the Statement only and does not cover the reporting of spend against individual service lines in the expenditure summary.

Our work was directed to those matters which, in our view, materially affect the Statement and was not directed to the discovery of errors or misstatements that we consider to be immaterial. Whilst we perform our work with reasonable skill and care, it should not be relied upon to disclose all misstatements, fraud or errors that might exist.

### **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 2020 is properly prepared, in all material respects, based on the criteria set out in the "Assurance Engagement of the Mental Health Investment Standard 2019/20 - 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 (UK) 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.

Our testing on the mental health expenditure included in the headline calculations and supporting schedules was done on a sample basis.

### **Use of the reasonable assurance report**

This report is made solely to the members of the Governing Body of the CCG and NHS England. Our work has been undertaken so that we might state to the members of the Governing Body of the CCG and NHS England those matters we are required to state to them in accordance with NHS England and NHS Improvement 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.

### **Opinion**

#### **Qualified Conclusion**

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

Except for the matters identified in the basis for qualified opinion paragraphs below, in our opinion NHS Hartlepool and Stockton on Tees CCG's Mental Health Investment Standard compliance statement has been properly prepared, in all material aspects, in accordance with the criteria set out in the Assurance Engagement of the Mental Health Investment Standard 2019/20 - Briefing for Clinical Commissioning Groups, guidance published by NHS England and NHS Improvement.

#### **Basis for Qualified Conclusion**

We have undertaken our review of the CCG's Statement of Compliance having regard to the criteria set out by NHS England and NHS Improvement in its Assurance Engagement of the Mental Health Investment Standard 2019/20 - Briefing for Clinical Commissioning Groups.

We have identified the following issues that indicate that the CCG's Statement of Compliance has not been properly prepared in accordance with NHS England and NHS Improvement's guidance:

- **Mental health prescribing spend £2.525 million 2018/19, £2.342 million 2019/20):** this is based on total prescribing spend and percentages of prescribing related to mental health derived from NHS Business Services Authority (BSA) information. However, the CCG has not made an adjustment for multi-use drugs. We note that the CCG has adopted a consistent approach to last year.
- **Section 117 referrals and CHC (s117 £4.089 million 2018/19, £5.053 million 2019/20, CHC £5.121 million 2018/19, £5.199 million 2019/20):** the CCG has included all Section 117 referral and CHC spend within the MHIS totals. The additional guidance issued in the frequently asked questions, published after submission of the returns, require a relevant clinician to provide an estimate of the proportion of spend which relates to mental health need as opposed to learning disabilities or dementia where patients have multiple diagnoses. The CCG has not made an adjustment for multi-diagnoses patients. We note that the CCG has adopted a consistent approach to last year.

In relation to the above 'except for' qualification, we draw attention to the margin for error in relation to the MHIS Statement of Compliance that the MHIS has been met. There is a difference between the increase that the CCG is required to make in mental health expenditure in 2019/20, based on its overall programme increase and the actual mental health expenditure included as the final position in the enclosure to this report. For the CCG, actual expenditure is £196,000 above that required under the standard. This means that if there were underlying errors in the 2018/19 or 2019/20 figures for mental health expenditure arising from the uncertainties where we have been unable to obtain assurance, these errors would need to exceed this amount to impact on the overall assertion that the MHIS has been met or has not been met.



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12 April 2021

## Enclosure

NHS Hartlepool and Stockton on Tees CCG's Statement of Compliance 2019/20 dated 31 March 2021