

REPORTING ACCOUNTANT'S REPORT TO THE MEMBERS OF THE GOVERNING BODY OF NHS MORECAMBE BAY CCG ON THE MENTAL HEALTH INVESTMENT STANDARD

We have been engaged by the Members of the Governing Body of NHS Morecambe Bay CCG ('the CCG') to perform an independent assurance engagement in respect of the CCG's Mental Health Investment Standard ('the MHIS') Statement of Compliance for the year ended 31 March 2019.

Scope and subject matter

The MHIS Statement of Compliance for the year ended 31 March 2019 subject to reasonable assurance consist of the following financial information that forms the basis for the expenditure included in the MHIS Statement of Compliance:

- NHS Morecambe Bay CCG's allocation in 2017/18 as published at <https://www.england.nhs.uk/allocations/> by NHS England;
- NHS Morecambe Bay CCG's allocation in 2018/19 as published at <https://www.england.nhs.uk/allocations/> by NHS England;
- mental health care expenditure in 2017/18 and 2018/19 as set out in the 'MHIS audit brief' published by NHS England; and
- The supporting guidance to "*Assurance engagement of the Mental Health Investment Standard - Briefing for Clinical Commissioning Groups*":
 - Technical Guidance - NHS England Guidance for completion of commissioner finance templates, published by NHS England;
 - Mental Health Financial Planning – Additional Guidance December 2017, issued to CCGs by NHS England; and
 - Mental Health Financial Planning – Frequently Asked Questions February 2018, issued to CCGs by NHS England.

We refer to these collectively as 'eligible mental health expenditure'.

Respective responsibilities of the accountable officer and reporting accountant

The accountable officer is responsible for the preparation of the MHIS Statement of Compliance for the year ended 31 March 2019 and for the financial information that forms the basis for the expenditure included in the Statement. This includes the design, implementation and maintenance of internal control relevant to the preparation of the MHIS Statement of Compliance to ensure that mental health expenditure is correctly classified and included in the MHIS Statement of Compliance and that the MHIS Statement of Compliance is free from material misstatement, whether due to fraud or error.

Our responsibility is to form a conclusion, based on reasonable assurance procedures, on whether the MHIS Statement of Compliance has been prepared in all material respects in accordance with the criteria set out in the *Assurance engagement of the Mental Health Investment Standard - Briefing for Clinical Commissioning Groups* and supporting guidance;

Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Members of the Governing Body of NHS Morecambe Bay CCG as a body. We permit the disclosure of this

report alongside the MHIS Statement of Compliance for the year ended 31 March 2019, to enable the Members of the Governing Body to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the MHIS Statement of Compliance. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members of the Governing Body of NHS Morecambe Bay CCG as a body for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’, issued by the International Auditing and Assurance Standards Board (‘ISAE 3000’). Our reasonable assurance procedures included:

- reviewing the content of the expenditure summary used to support the MHIS Statement of compliance to verify that it includes all categories of eligible mental health care expenditure as defined in the “*Assurance engagement of the Mental Health Investment Standard - Briefing for Clinical Commissioning Groups*” published by NHS England at <https://www.england.nhs.uk/publication/assurance-engagement-of-the-mental-health-investment-standard-briefing-for-clinical-commissioning-groups/>;
- checking the arithmetic accuracy of the expenditure summary used to support the MHIS Statement of Compliance;
- checking the wording used in the published MHIS Statement of Compliance and verified that this is in accordance with the required wording that has been published in the “*Assurance engagement of the Mental Health Investment Standard - Briefing for Clinical Commissioning Groups*” published by NHS England at <https://www.england.nhs.uk/publication/assurance-engagement-of-the-mental-health-investment-standard-briefing-for-clinical-commissioning-groups/>;
- evaluating the design and implementation of the key processes and controls for ensuring the categorisation of expenditure as eligible mental health care expenditure is complete and accurate by observing and documenting the process for recording and categorising expenditure as eligible mental health care expenditure;
- making enquiries of management by requesting that specific representations are made to confirm management has complied with its responsibilities as defined in the MHIS Statement of Accountable Officer’s Responsibilities;
- carrying out limited testing, on a selective basis, of the expenditure classified as eligible mental health care expenditure used in the MHIS calculation, to confirm that the expenditure relates to the correct financial year, meets the definition of eligible mental health care expenditure as defined by *Assurance engagement of the Mental Health Investment Standard - Briefing for Clinical Commissioning Groups* and appears within the CCG’s expenditure for the year;
- carrying out limited testing, on a selective basis, of the expenditure that has not been classified as eligible mental health care expenditure, to confirm that the expenditure does not meet the definition of eligible mental health care expenditure as defined by *Assurance engagement of the Mental Health Investment Standard - Briefing for Clinical Commissioning Groups*;
- verifying that the CCG’s allocations in 2017/18 and 2018/19 that have been used to determine the MHIS Statement of Compliance agree to the CCG’s allocations in 2017/18 and 2018/19 as published by NHS England; and

- recalculating the rate of increase in the allocation and eligible mental health care expenditure to assess whether the CCG has complied with the requirement of the MHIS by which their 2018/19 eligible mental health care expenditure rises at a faster rate than their overall published allocation.

Limitations

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable categorisation techniques which can result in materially different measurements of categories of eligible mental health spend and can affect comparability. The precision of different categorisation techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the categorisation criteria and the precision of these criteria, may change over time. It is important to read the MHIS Statement of Compliance in the context of the criteria set out in the “*Assurance engagement of the Mental Health Investment Standard - Briefing for Clinical Commissioning Groups*” and supporting guidance documents.

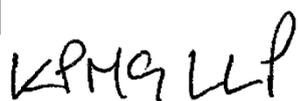
Basis for qualified conclusion

We evaluated the design and implementation of the key processes and controls for ensuring that expenditure on eligible mental health care was properly recorded and categorised by the CCG. The results of our work indicated that there were weakness in the controls designed to ensure the accuracy and completeness of the categorisation of eligible expenditure sub-categories within eligible mental health spending.

The CCG has included expenditure in relation to Mental Health Continuing Healthcare Costs on the basis of a categorisation applied by the Midlands and Lancashire Commissioning Support Unit as to whether a package of care relates in whole or in part to eligible or ineligible mental health expenditure, or to a physical health need. We were unable to obtain assurance over this categorisation as the CCG does not have access to the data upon which the allocation is based.

Qualified conclusion

Based on the results of our procedures, except for the effects of the matters described in the ‘Basis for qualified conclusion’ section above, in our opinion the MHIS Statement of Compliance for the year ended 31 March 2019 has been prepared in all material respects in accordance with the criteria set out in the *Assurance engagement of the Mental Health Investment Standard - Briefing for Clinical Commissioning Groups* and supporting guidance.



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