



Annual Audit Letter 2019/20

NHS Barnsley Clinical Commissioning Group

June 2020

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This report is addressed to NHS Barnsley CCG and has been prepared for the sole use of the CCG. We take no responsibility to any member of staff acting in their individual capacities, or to third parties.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.



Introduction

Background

This Annual Audit Letter (the letter) summarises the key issues arising from our 2019/20 audit at NHS Barnsley Clinical Commissioning Group (the CCG). Although this letter is addressed to the Members of the Governing Body of the CCG, it is also intended to communicate these issues to external stakeholders, such as members of the public. It is the responsibility of the CCG to publish this letter on the CCG's website. In the letter we highlight areas of good performance and also provide recommendations to help the CCG improve performance where appropriate. We have reported all the issues in this letter to the CCG during the year and we have provided a list of our reports in Appendix A.

Scope of our audit

The statutory responsibilities and powers of appointed auditors are set out in the Local Audit and Accountability Act 2014. Our main responsibility is to carry out an audit that meets the requirements of the National Audit Office's Code of Audit Practice (the Code) which requires us to report on:

Financial Statements including the regularity opinion and Governance Statement	<p>We provide an opinion on the CCG's financial statements. That is whether we believe the financial statements give a true and fair view of the financial affairs of the CCG and of the income and expenditure recorded during the year.</p> <p>We are also required to form a view on the regularity of the CCG's income and expenditure i.e. that the expenditure and income included in the CCG's financial statements has been applied to the purposes intended by Parliament and the financial transactions in the financial statements conform to the authorities which govern them.</p> <p>We report by exception if the CCG has not complied with the requirements of NHS England in the preparation of its Governance Statement.</p> <p>We also examine and report on the consistency of the schedules or returns prepared by the CCG for consolidation into the Whole of Government Accounts (WGA) with our other work.</p>
Value for Money arrangements	<p>We conclude on the arrangements in place for securing economy, efficiency and effectiveness (value for money) in the CCG's use of resources.</p>

Fees

Our fee for 2019-20 was £36,370 (2018-19: £36,370) excluding VAT. This fee was in line with the fee agreed at the start of the year with the CCG's Audit Committee.

Acknowledgement

We would like to take this opportunity to thank the officers of the CCG for their continued support throughout the year.

Headlines

This section summarises the key messages from our work during 2019/20.

Financial Statements audit opinion

We issued an unqualified audit opinion on the CCG's accounts on 23 June. This means that we believe the accounts give a true and fair view of the financial affairs of the CCG and of the income and expenditure recorded during the year.

There were no adjusted audit differences.

There was one unadjusted audit difference which was not material but was above our reporting threshold. This related to the prescribing expenditure recorded in the financial statements. This difference arose as a result of more up to date information being provided by NHS Business Services Authority on the actual prescribing expenditure of the CCG for the year ended 31 March 2020 following submission of the draft accounts. The prescribing expenditure in the draft financial statements was based on a projected year-end outturn of £46,519k, however the updated actual figure was £46,883k. This results in an understatement of £364k. If adjusted this would have resulted in the CCG being in deficit. However our work confirmed management had used the same methodology as the prior year which resulted in a small over accrual and was calculated using the best information available at the time.

We reviewed the CCG's annual report and identified no matters to raise with you.

There were no issues that caused delay and we issued our certificate of completion of the audit within the reporting and submission deadlines.

Financial statements audit work undertaken

We are required to apply the concept of materiality in planning and performing our audit. We are required to plan our audit to determine with reasonable confidence whether or not the financial statements are free from material misstatement. An omission or misstatement is regarded as material if it would reasonably influence the user of financial statements. Our materiality for the audit was £6m (2018-19: £6m).

We identified the following risks of material misstatement in the financial statements as part of our External Audit Plan 2019-20:

1. **Expenditure Recognition** : No issues were identified from our audit work and no misstatements were reported.
2. **Management override of control** : No issues were identified from our audit work and no misstatements were reported.
3. **Revenue Recognition** : As in previous years, this risk was rebutted due to the nature of the CCG income.

As a result of the pandemic, COVID-19, the implementation of the new lease accounting standard IFRS 16 was deferred to 1 April 2021 with no disclosure requirement for 2019/20.

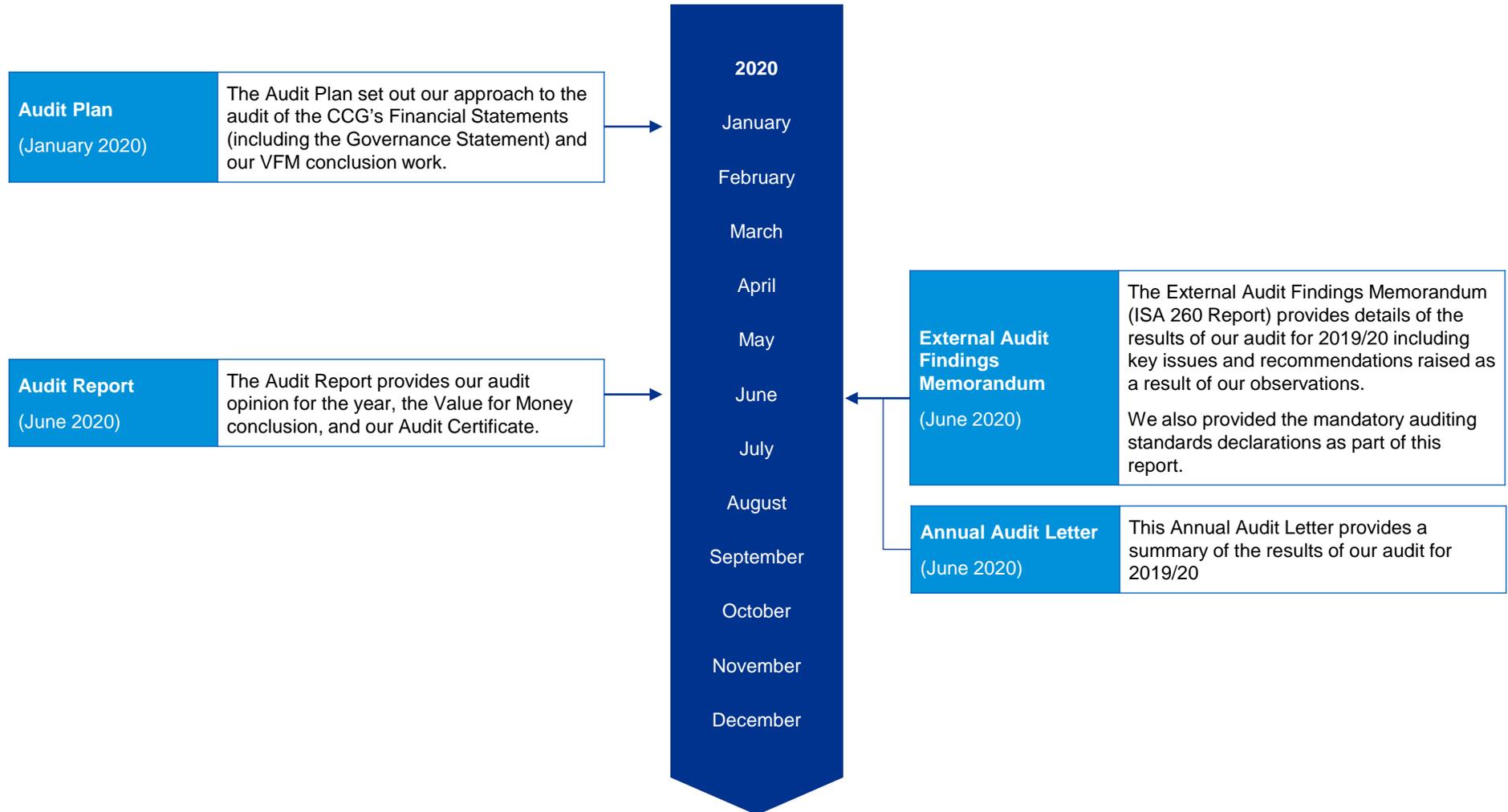
We also considered more broadly how our audit procedures should be revised given the extended deadline for submission. This meant we updated some of our procedures, including considering whether COVID-19 related income and expenditure from the final weeks of the year were correctly included in the financial statements. We noted no matters to report from this work.

Headlines (cont.)

Regularity Opinion	<p>We are required to form a view on the regularity of the CCG's income and expenditure i.e. that the expenditure and income included in the CCG's financial statements has been applied to the purposes intended by Parliament and the financial transactions in the financial statements conform to the authorities which govern them.</p> <p>We reviewed the CCG's expenditure and income and in our opinion, in all material respects, it has been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.</p>
Governance Statement	<p>We confirmed that the CCG complied with NHS England requirements in the preparation of the CCG's Governance Statement.</p>
Whole of Government Accounts	<p>We issued an unqualified Auditor Statement on the Consolidation Schedules prepared by the CCG for consolidation into the Whole of Government Accounts with no exceptions.</p>
Value for Money (VFM) conclusion	<p>We are required to report to you if we are not satisfied that the CCG has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.</p> <p>Based on the findings of our work, we have nothing to report.</p>
VFM conclusion risk areas	<p>We undertook a risk assessment as part of our VFM audit work to identify the key areas impacting on our VFM conclusion and considered the arrangements you have put in place to mitigate these risks.</p> <p>We identified the following significant risk in relation to VFM, as reported in our External Audit Plan 2019-20:</p> <ol style="list-style-type: none"> Financial Resilience : All CCGs are under considerable pressure to continue to deliver the budget with limited resources. This requires forward planning and ensuring plans are put in place to protect the CCG's financial resilience in future years. <p>We conducted additional procedures to assess the impact of COVID-19 on the CCG's ability to deliver economy, efficiency and effectiveness and did not consider an additional risk necessary.</p> <p>No issues were identified from our audit work and no recommendations were raised.</p>
Recommendations	<p>We are pleased to report that there were no recommendations arising from our 2019-20 audit work.</p>
Public Interest Reporting	<p>We have a responsibility to consider whether there is a need to issue a public interest report or whether there are any issues which require referral to the Secretary of State. We did not issue a report in the public interest or refer any matters to the Secretary of State in 2019/20.</p>

Appendix A

Summary of our reports issued





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