

# Auditor's Annual Report on NHS Bristol, North Somerset and South Gloucestershire Clinical Commissioning Group

2021-22

June 2022



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We are required under Section 21(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the CCG has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the CCG's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# Executive summary



## Value for money arrangements and key recommendations

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the CCG has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Auditors are required to report their commentary on the CCG's arrangements under specified criteria and 2021/22 is the second year that we have reported our findings in this way. As part of our work, we considered whether there were any risks of significant weakness in the CCG's arrangements for securing economy, efficiency and effectiveness in its use of resources. Our conclusions are summarised in the table below.

On 6 July 2021 The Health and Care Bill was introduced and was given Royal Assent on 28 April 2022. The Health and Care Act is aimed at removing barriers to integration, with NHS and local authorities having a duty to collaborate on the Health and Care agenda. From 1 July 2022, Integrated Care Boards (ICBs) will take on the commissioning functions and the assets and liabilities from the demising CCGs in their area. Arrangements within Bristol, North Somerset and South Gloucestershire ICB appear to be well progressed with key governance structures established, readiness to operate statements, risk assessed critical paths and transition plan arrangements in place.

Criteria	Risk assessment	2020/21 Auditor Judgment	2021/22 Auditor Judgment	Direction of travel
Financial sustainability	No risks of significant weakness identified	No significant weaknesses in arrangements identified, but improvement recommendation made	No significant weaknesses in arrangements identified.	↑
Governance	No risks of significant weakness identified	No significant weaknesses in arrangements identified, but improvement recommendation made	No significant weaknesses in arrangements identified but two improvement recommendations made.	↔
Improving economy, efficiency and effectiveness	No risks of significant weakness identified	No significant weaknesses in arrangements identified, but improvement recommendation made	No significant weaknesses in arrangements identified.	↑

- No significant weaknesses in arrangements identified or improvement recommendation made.
- No significant weaknesses in arrangements identified, but improvement recommendations made.
- Significant weaknesses in arrangements identified and key recommendations made.

# Opinion on the financial statements and use of auditor's powers

We bring the following matters to your attention:

## Opinion on the financial statements

Auditors are required by section 21 of the Local Audit and Accountability Act 2014 to express an opinion on the accounts that includes the auditor's view on whether the accounts: (i) present a true and fair view and comply with statutory requirements (ii) have been prepared in accordance with proper practices

We have completed our audit of your financial statements and issued an unqualified audit opinion on 20 June 2022, following the Audit, Governance and Risk Committee meeting on 14 June 2022. Our findings are set out in further detail on page 17.

## Opinion on regularity

Auditors are required by section 21 of the Local Audit and Accountability Act 2014 to include in the opinion their view on the regularity of the CCG's income and expenditure, that is to say, that money provided by Parliament has been expended for the purposes intended by Parliament; resources authorised by Parliament to be used have been used for the purposes in relation to which the use was authorised; and that the financial transactions of the group are in accordance with any authority which is relevant to the transactions

We have completed our regularity work and found no issues to report. Our regularity opinion was issued on 20 June 2022, following the Audit Governance and Risk Committee meeting on 14 June 2022. Our findings are set out in further detail on page 17.

## Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body

Our audit work has not identified any issues that would require us to make statutory recommendations to the CCG.

## Section 30 referral

Under Section 30 of the Local Audit and Accountability Act 2014, the auditor of an NHS body has a duty to consider whether there are any issues arising during their work that indicate possible or actual unlawful expenditure or action leading to a possible or actual loss or deficiency that should be referred to the Secretary of State, and/or relevant NHS regulatory body as appropriate

Our audit work has not identified any issues that would require us to make a Section 30 referral.

## Public Interest Report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

Our audit work has not identified any issues that would require us to make a Public Interest Report





# Key recommendations



The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the CCG. We have defined these recommendations as 'key recommendations'.

Our work has not identified any significant weaknesses in arrangements and therefore we have not made any key recommendations.

**The range of recommendations that external auditors can make is explained in Appendix C.**



# Securing economy, efficiency and effectiveness in the CCG's use of resources

All Clinical Commissioning Groups are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The CCG's responsibilities are set out in Appendix A.

CCGs report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the CCG has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The National Audit Office's Auditor Guidance Note (AGN) 03, requires us to assess arrangements under three areas:



## Financial Sustainability

Arrangements for ensuring the CCG can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



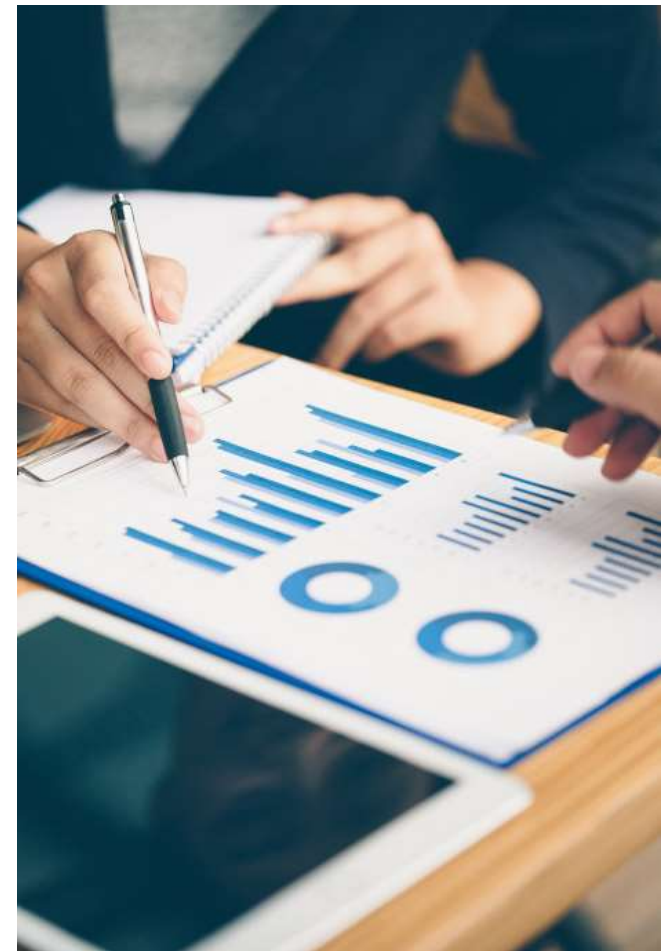
## Governance

Arrangements for ensuring that the CCG makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the CCG makes decisions based on appropriate information.



## Improving economy, efficiency and effectiveness

Arrangements for improving the way the CCG delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Our commentary on the CCG's arrangements in each of these three areas, is set out on pages 7 to 15. Further detail on how we approached our work is included in Appendix B.

# Financial sustainability



## We considered how the CCG:

- identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds them into its plans
- plans to bridge its funding gaps and identify achievable savings
- plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

## Overview

In the 2020/21 Auditor's Annual Report we noted that arrangements for planning and managing its resources to ensure that it can continue to deliver its services should be revisited to ensure that expenditure can be maintained within funding levels.

Overall we have not identified any weaknesses in the financial sustainability of the CCG.

## Financial Planning

During the 2021/22 financial year, the CCG has been working on the financial plans for the 2022/23 financial year as well as a refresh of the medium-term financial plan to take into account the impact of COVID-19. In April 2022, the CCG submitted a plan to NHSEI showing a deficit of £38.2m. However, subsequent guidance was issued after this submission and through working with the Regional Branch of NHSEI, this deficit was reduced to a breakeven position, through a combination of additional funding, reduction in COVID-19 costs and re-allocations at system level.

## Bridging the gap

As part of the papers pack submitted to the Governing Body around the refreshed medium term financial plan, the CCG state:

*"In developing the Financial Recovery Plan and trajectory we have considered the drivers of the deficit, benchmarking opportunities identified, innovation adopted in Covid pandemic response, and maximising impact of existing transformation programmes and investment; including new 10 year Adult Community Services contract and merger of University Hospital Bristol and Weston."*

This demonstrates that the CCG has a robust understanding and has considered recovery actions that can put in place to close the financial position.

The CCG delivered a £964k surplus as at 31 March 2022, whilst reporting a historic deficit of £117m. The CCG is however working closely with the Regional Branch of NHSEI to manage its financial position. The underlying historic deficit will need to be addressed in the future, however our work has focussed on the in-year arrangements and performance against agreed NHSE targets. The surplus of £964k included achieving savings of £9.1m against a set target of £8.6m. Further work is now on-going at the CCG to understand the recurring element of the savings and the impact of the transition from the current short-term COVID-19 finance regime back to the long-term plan of the CCG.

## Sustainable delivery of services

The CCG and ICS are clear where spending priorities are in that they are the purchase of healthcare for Bristol, North Somerset and South Gloucestershire residents. The monthly financial reports presented to the Strategic Finance Committee and the Governing Body break down the expenditure of the CCG into the various categories of spend and provide a narrative for any variances in the month against budget. The CCG follows national guidance where available on the areas that need addressing (tackling health inequalities per the latest guidance) but have also established a working group dedicated to focus on health inequalities as part of the elective recovery programme to mitigate the possibility of the elective recovery plans adversely impacting on health inequalities.

# Financial sustainability (continued)

## Integrated Planning

In 2020/21 we identified no issues in relation to the integration of planning. Our work in 2021/22 has not identified any issues that change our prior year assessment.

With the move towards the Integrated Care Boards integration of all functions is pivotal. The CCG is therefore working closely with its Partners as part of the 'Healthier Together' group to develop a long term operational plan that will cover areas such as financial and workforce strategies.

## Identifying and assessing financial risks

The CCG is currently emerging from an environment which is very prescribed and was covered by the interim financial arrangements put in place by NHSE during the pandemic. This took away the uncertainty from the operating environment. Despite this the CCG and ICS partners are progressing with reconfiguration plans which aim to built capacity within the system. Board reporting clearly sets out the assumptions within the plan that are most at risk. The Operational Plan for 2022/23 shows a number of key risks that would affect the plan. These risks being:

- Delivering elective recovery
- Future COVID-19 peaks
- Workforce availability
- Implementation of key system programmes
- Inflation

Whilst these are not all specifically financial in nature, these risks do have a potential financial impact. This reporting supports informed decision making at a senior level.

## System Oversight Framework

Financial and non-financial performance of NHS Provider Organisations is reflected by the NHS System Oversight Framework (SOF). The framework looks at five themes:

- Quality of Care
- Finance and use of resources
- Operational performance
- Strategic change
- Leadership and capability (well-led)

Based on information from these themes, organisations are rated SOF1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy. While the CCGs are not currently subject to individual oversight ratings, the healthcare system as a whole is rated based on individual provider ratings.

NHSEI review this on a quarterly basis and by exception, where support needs may have changed, will trigger a review of this segment allocation. The segmentation decision includes factors such as governance arrangements, financial performance and quality of services and therefore confirms that NHSEI considers that the organisation has appropriate arrangements across these areas.

NHS Bristol, North Somerset and South Gloucestershire CCG have been placed in a SOF segment '3' rating which is due to Avon and Wiltshire Mental Health Partnership NHS Trust, North Bristol NHS Trust and University Hospital Bristol and Weston NHS Foundation Trust each being placed in segment 3, alongside recognised challenges in respect of workforce and Improving Access to Psychological Therapies (IAPT) and Children and Young People (CYP).

The CCG has established a set of exit criteria and is currently working through these in order to move to a SOF segment '2' (the default position).



# Governance



## We considered how the CCG:

- monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approaches and carries out its annual budget setting process
- ensures effective processes and systems are in place to ensure budgetary control; communicate relevant, accurate and timely management information (including non-financial information); supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee
- monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour (such as gifts and hospitality or declaration/conflicts of interests) and where it procures and commissions services.

## Overview

Governance is the system by which the organisation is controlled and monitored to ensure that decisions can be made effectively and the relevant people within the organisation are held to account.

The CCG is led by its Governing Body which is supported by an appropriate committee structure. Senior Officers attend the Governing Body meetings and are called to Committee's as and when required to respond to the challenge of Committee members.

In our Auditors Annual Report for the 2020/21 financial year our work did not identify any significant weaknesses in the CCG's governance arrangements, however we did include an improvement recommendation regarding the governance arrangements over significant accounting proposals, which was in relation to S256 agreements. See below for work completed on S256 agreements for the 2021/22 financial year.

Overall, we have not identified any significant weaknesses in governance arrangements for 2021/22. We have raised improvement recommendations to further strengthen the processes in place and these can be found on pages 12 and 13.

## S256 agreements

In our 2020/21 Auditors Annual Report we noted that a paper was taken to the Governing Body discussing the proposal for the CCG to enter into three S256 agreements with Local Authorities. The paper contained a risk that External Audit may have a different view to Management. Given that this was a new approach for the CCG we noted that the discussions could have focussed on the accounting treatment and justification raised in advance with the External Auditors.

During our work for the 2021/22 financial year, discussions were held throughout the year around the new S256 agreements that would be established before the 31<sup>st</sup> March 2022. As part of these discussions, we established with management that these arrangements could be treated as expenditure within the financial year end, as the agreements were drafted in line with the Statutory Directions, we concluded that these were correct to be classed as expenditure. The agreements were also taken through the CCG governance processes, which is in line with our expectations. Therefore no significant weaknesses have been found in this area.

## Assessing and monitoring risk

In September 2021, a paper was taken to the Governing Body with the title "Target Risk Scores and Risk Appetite". The paper summarises outcomes of discussions at a Governing Body development day around the development of a framework for risk appetite and how staff can be supported in assessing target risk. The outcome of this is that a Target Risk and Appetite Matrix has been developed.

The CCG has a risk management framework which includes the usual 5x5 scoring system. The typical process for identifying risks is that there is a yearly seminar for the Governing Body which in effect is a blank paper exercise where the long term plan, objectives, focus areas, priorities and key risks are all drafted for the forthcoming year.

Each month the Governing Body reviews the Corporate Risk Register, which includes details such as name of the risk owner as well as listing the oversight committee responsible for the risk.

# Governance (continued)

## Budget setting and budgetary control

For 2020/21 and 2021/22 the sector has been funded to a breakeven position via block funding and top-ups received from central government to allow focus on responding to the COVID-19 pandemic. THE NHSEI 2021/22 guidance set out the financial regime for health economies for the first and second six months of the financial year, referred to as H1 and H2, and placed emphasis on collaborative working across systems in order to submit a system wide financial plan. We are satisfied that the planning process had been adhered to during 2021/22 and plan submissions were made in accordance with national requirements.

Our review of Governing Body and Strategic Finance Committee papers confirmed that effective processes and systems were in place to monitor the CCG's and system's financial performance against budget, and communicate relevant, accurate and timely management information including non-financial information.

The CCG has demonstrated that it has an appropriate annual budget setting process in place. Key stakeholders are involved with the process and supported via the 'Control Centre' arrangements in place at the CCG. Each budget and associated saving scheme has a 'Control Centre' in place which consists of numerous individuals to support the Lead Executive with delivery.

## Informed decision making

The Governing Body papers include a template cover report which require a set amount of information such as risk, financial implications, equalities and regulatory areas. If the Governing Body feels that it doesn't have enough information at the time of being presented the paper, it has the right to withhold the decision and ask for the paper to be brought to a subsequent meeting after the paper has been updated.

We noted however that the CCG holds a monthly 'closed' Governing Body meeting that has its own agenda and is a separate meeting to the 'open' Governing Body meeting. Upon review of the monthly agenda's we noted that there were numerous papers taken to this meeting each month. We would therefore recommend that the CCG reviews the quantity of 'closed' papers and ensures that this forum is only used when needed.

There is evidence of service user feedback being taken into account when significant changes to services are proposed. An example of this is the public consultation regarding the re-configuration of the Stroke Services. The public consultation element being referred to in numerous places within the business case.

Partnership working is seen as being key for the CCG and the Partnership organisation – Healthier Together – includes both the Chief Executive and Chief Finance Officer. Whilst having its own governance arrangements, the CCG's governance arrangements also capture the activities of the Partnership and these are reported through to the Governing Body.

## Regulation and Legislation

We reported in the 2020/21 Auditors Annual Report that the CCG had good arrangements in place around compliance with legislation and regulatory safeguards. We confirmed that these arrangements have remained the same during 2021/22.

The CCG has appropriate arrangements in place to monitor compliance with legislation and regulatory standards and communicates behaves expected and not expected of staff through various policies and procedures such as:

- Local Counter Fraud Bribery and Corruption Policy
- Freedom to speak up policy
- Disciplinary policy
- Managing conflicts of interest policy

However we noted that the Disciplinary policy was due for review on 4 November 2021 and has not been updated on the website. We have therefore raised an improvement recommendation that the CCG reviews the policies and procedures currently adopted to ensure that these are kept up to date and a central register is maintained with review dates so that policies do not become outdated.

The CCGs arrangements demonstrate ongoing compliance with regulatory and legislative requirements throughout the year and an appropriate culture is maintained throughout the CCG.

The CCG commissioned a review over its governance and leadership arrangements (a well-led review). The final report was received in July 2021 and states "The CCG benefits from strong cohesive and competent leadership both corporately from the Governing Body and operationally from the Executive team."

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# Governance (continued)

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There was one settlement agreement agreed during the 2021/22 financial year. This was agreed by the Remuneration Committee and the value was approved by NHSEI in line with national requirements. We reviewed the settlement agreement as part of the financial statements audit for 2021/22 and no issues were noted.

## Integrated Care Board (ICB) transition

The Health and Care Act received Royal Assent on 28<sup>th</sup> April 2022 and as a result the commissioning functions, assets and liabilities of NHS Bristol, North Somerset and South Gloucestershire CCG are due to transfer to NHS Bristol, North Somerset and South Gloucestershire Integrated Care Board on 1 July 2022.

The CCG has been working on the transition arrangements and have taken numerous updates to the Audit, Governance and Risk Committee as well as the Governing Body. We have reviewed the March 2022 transition report and the indicators are showing as on track. A new ICB Chief Executive was appointed and started on 14 February 2022, initially to cover the Accountable Officer Role after the CCG Chief Executive left post and will take up the role of ICB Chief Executive on 1 July 2022.

## Conclusion

Our work has not identified any significant weaknesses in the CCG's governance arrangements in 2021/22, however we have raised two improvement recommendations – see pages 12 and 13.

# Improvement recommendations



## Governance

### Recommendation 1

We would recommend that the CCG reviews the quantity of 'closed' papers and ensures that this forum is only used when needed.

### Why/impact

To demonstrate openness the CCG should only take papers to a closed session where it is essential that the item remains confidential.

### Summary findings

We noted that the CCG holds a monthly 'closed' Governing Body meeting that has its own agenda and is a separate meeting to the 'open' Governing Body meeting. Upon review of the monthly agendas we noted that there were numerous papers taken to this meeting each month.

### Management Comments

The CCG does hold closed sessions of the Governing Body meetings where matters are discussed in advance of information being shared with the public in open governing body meetings.



The range of recommendations that external auditors can make is explained in Appendix C.

# Improvement recommendations



## Governance

### Recommendation 2

We recommend that the CCG reviews all policies and procedures and ensure that these are updated to remain current. We would also recommend that the CCG maintains a central register of policies and procedures, including date of review, to ensure that these do not become outdated.

### Why/impact

Out of date policies may not reflect the latest guidance or requirements. There is a risk that the CCG does not adhere to appropriate legislation, regulation or professional standards.

### Summary findings

We noted some of the CCG's policies had past their review dates. These included the Disciplinary Policy and the Procurement Policy.

### Management Comments

The CCG maintains a policy register and policies are reviewed, this has included the disciplinary policy which was agreed by the CCG Governing Body in June 2022. Arrangements will be reviewed to ensure that the policy framework is reviewed to ensure that review activities take place in a timely manner.



The range of recommendations that external auditors can make is explained in Appendix C.



# Improving economy, efficiency and effectiveness



## We considered how the CCG:

- uses financial and performance information to assess performance to identify areas for improvement
- evaluates the services it provides to assess performance and identify areas for improvement
- ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives
- where it commissions or procures services assesses whether it is realising the expected benefits.

## Overview

Ensuring the CCG achieves economy, effectiveness and efficiency involves ensuring arrangements are in place to use the available resources to achieve the overall objectives (effectiveness), achieving the maximum service levels with the available resources (efficiency) and balancing revenue and costs effectively in the process (economy).

Overall we have not identified any weaknesses in the CCG's economy, effectiveness and efficiency arrangements for 2021/22.

## Performance Reporting

A comprehensive Performance and Quality Report is taken to the Governing Body on a monthly basis which includes a rating of the system as a whole as well as at Provider level. There are numerous charts and tables presented with the data coming from the nationally validated reports produced by NHSE.

Performance reporting for March 2022 (reported in June 2022) shows that the system is not meeting many of the performance targets set by NHS England. A table showing a selection of performance indicators can be seen below:

Theme	Indicator	Target	Mar-22
Urgent Care	A&E 4hr waits - BNSSG footprint	95%	67.44%
Planned care	RTT Incomplete - 18 week waits	92%	65.39%
Planned care	Diagnostics - 6 week waits	1%	37.90%
Cancer	Cancer 2 week wait - all	93%	70.70%
Cancer	Cancer 2 week wait - breast symptoms	93%	17.86%

The issues faced by the system include pressures in urgent care discharges due to poor community capacity and COVID-19 related staff absences. This has led to pressures in Emergency Departments (Eds) due to reduced patient flow resulting in a stepping down of some planned procedures. However, while this is not dis-similar to the national picture, we note the system is taking pro-active action to understand the implications of harm in relation to long waits in elective pathways, whilst also responding to the COVID-19 backlog.

The CCG has demonstrated that it uses reports from regulators to improve services. An example of this can be seen from the Care Quality Commission (CQC) Inspection of Sirona (the CCG's community services contractor). The CCG has taken a report to the Governing Body following on from the CQC inspection and included within the report is a commitment to review Sirona's progress on a quarterly basis to ensure that progress in meeting the 'must-do' actions is completed for the benefit of the service.

We note that the CCG maintains oversight over its providers and partners and reviews performance indicators on a frequent basis. Action logs are held so that performance monitoring can be effective.

In addition to this, we note that the CCG has maintained oversight over the providers in relation to the Ockenden Review. This was a specific review undertaken in response to significant concerns around the safety of maternity services at Shrewsbury and Telford Hospitals NHS Trust. The CCG has taken steps to reassure itself that the local trusts have completed all steps listed within the recommendations of the review and that there are sufficient action plans in place.

# Improving economy, efficiency and effectiveness (continued)

## Partnership working

Good partnership working is crucial to achieving systems reconfiguration and addressing workforce capacity as the main issue that could prevent the ICS achieving financial sustainability, and delivery of quality, cost effective services.

As reported in prior years, the CCG has partnership arrangements with other organisations within the local care system under the 'Healthier Together' working arrangements. The CCG and its partners including provider trusts, local authorities, private sector organisations and 'third sector' organisations (i.e. charities) have been working together for a number of years and have formed strong working relationships.

An example of strong partnership working can be seen with the re-configuration of the Stroke services pathway. This had been operating within each local trust as a discrete service but has now been re-modelled to improve emergency treatment..

As set out in the Business Case for this reconfiguration, the new service will offer:

*“Centralisation of hyper acute care for stroke patients at a single site in Southmead Hospital, which will have a “Hyper Acute Stroke Unit” (HASU) and become a “Comprehensive Stroke Centre” under the new National Stroke Service Specification. This means that ambulances would no longer convey people with suspected strokes to Weston Hospital’s A&E or the Bristol Royal Infirmary’s (BRI) A&E.*

*The programme has confirmed that this proposal results in improved care through:*

- *Parity of service across BNSSG and provision of 24/7 care for all*
- *Improved achievement against national stroke standards*
- *Improved alignment with clinical interdependencies – neurosciences centre and Thrombectomy*
- *A consolidated specialist workforce”*

Rather than running the same service in NHS North Bristol Trust and University Hospitals Bristol and Weston NHS Foundation Trust, the aim of this re-configuration is to work in partnership, whilst considering what is best for the patient, and offer one superior service with the combined resources.

The CCG is also working with its partners to develop a system workforce plan. As part of the system monthly reporting to the Governing Body, workforce planning was discussed and the following comment made:

*“This is the beginning of a new journey that will provide a springboard for the implementation of new models of care and inspire the redesign of the current workforce structure to ensure that we are fit for purpose.”*

## Procurement

The CCG has in place a Procurement Policy however we note that this was due for review in March 2021 and is therefore outdated. We have raised an improvement recommendation, in the Governance section of this report on page 13, that the CCG review all of its policies and procedures to ensure that these remain current and maintains a central register to ensure that policies do not become outdated.

There is no evidence that the CCG has failed to operate a fair procurement exercise.

# Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?	
1	As the CCG transitions to ICS, it should ensure that plans are in place so that expenditure is maintained within the funding levels.	Improvement	July 2021	The CCG has refreshed its medium term financial plan in conjunction with its Partners. In June 2022 the CCG submitted a balanced plan for 2022/23 however the CCG needs to ensure that this position is maintained as the transition to ICB continues.	In progress	The CCG needs to continue to monitor the system-wide financial position.
2	The CCG should ensure that technical accounting treatments and justifications should have been discussed and agreed with External Auditors. discussions regarding significant accounting proposals are clearly minuted, including clarity of any subsequent actions required.	Improvement	July 2021	Conversations were held with the External Auditors throughout the financial year.	Yes	No
3	The CCG should consider maintaining a central register of open recommendations made by assurance providers or regulators.	Improvement	July 2021	The CCG is currently working on developing a central register. Work on this is to continue as the CCG transitions to the ICB.	In progress	Management need to ensure that a central register is maintained of open recommendations in order to ensure that no items are missed.

# Opinion on the financial statements



## Audit opinion on the financial statements

We gave an unqualified opinion on the CCG's financial statements on 20 June 2022.

## Opinion on regularity

We issued our regularity opinion on 20 June 2022. Our regularity work found no breaches that we need to report.

## Other opinion/key findings

We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. No inconsistencies were identified.

We are also required to give an opinion on whether the parts of the Remuneration Report and Staff Report subject to audit have been prepared properly in accordance with the requirements of the Act, directed by the Secretary of State with the consent of the Treasury.

We have audited the elements of the Remuneration Report and Staff Report, as required by the Code.

We issued an unmodified opinion in this regard on 20 June 2022.

We also reported no significant issues in relation to the CCG's:

- Annual Governance Statement; and
- Annual Report.

## Audit Findings Report

More detailed findings can be found in our Audit Findings Report, which was published and reported to the CCG's Audit Committee on 20 June 2022.

## Whole of Government Accounts

To support the audit of the NHS England group accounts and the Whole of Government Accounts, we are required to examine and report on the consistency of the CCG's consolidation schedules with their audited financial statements. This work includes performing specified procedures under group audit instructions issued by the National Audit Office.

Our work found no issues and we submitted our assurance statement to the NAO on 20 June 2022.

## Preparation of the accounts

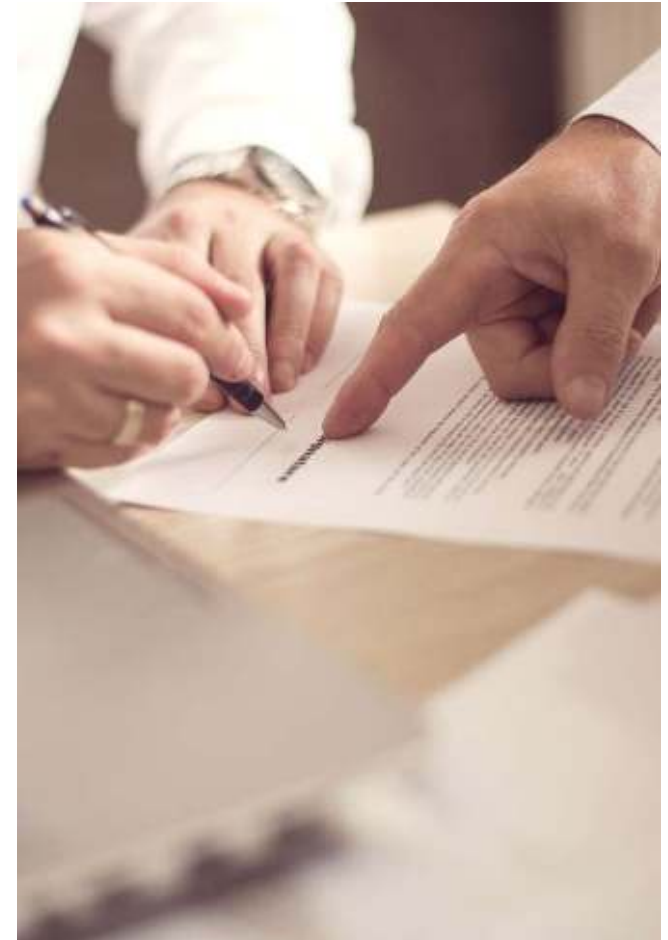
The CCG provided draft accounts in line with the national deadline and provided a good set of working papers to support it.

## Issues arising from the accounts:

There were no significant issues reported as part of our financial statements audit.

## Grant Thornton provides an independent opinion on whether the accounts are:

- True and fair
- Prepared in accordance with relevant accounting standards
- Prepared in accordance with relevant UK legislation



# Appendices



# Appendix A – Responsibilities of the CCG

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

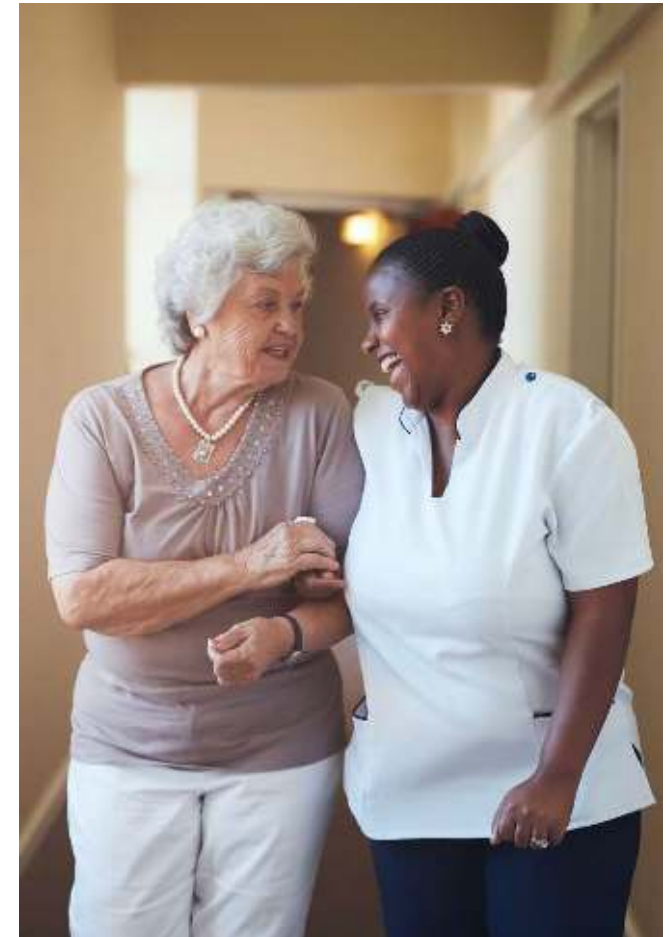
Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Accountable Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Accountable Officer is also responsible for ensuring the regularity of expenditure and income.

The Accountable Officer is required to comply with the Department of Health & Social Care Group Accounting Manual and prepare the financial statements on a going concern basis, unless the CCG is informed of the intention for dissolution without transfer of services or function to another entity. An organisation prepares accounts as a 'going concern' when it can reasonably expect to continue to function for the foreseeable future, usually regarded as at least the next 12 months.

The CCG is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



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# Appendix B – Risks of significant weaknesses, our procedures and findings

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As part of our planning and assessment work, we considered whether there were any risks of significant weakness in the CCG's arrangements for securing economy, efficiency and effectiveness in its use of resources that we needed to perform further procedures on.

During our work we did not identify any risks of significant weakness at the CCG.

# Appendix C – An explanatory note on recommendations

A range of different recommendations can be raised by the CCG’s auditors as follows:

Type of recommendation	Background	Raised within this report	Page reference
Statutory	Written recommendations to the CCG under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.	No	n/a
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the CCG. We have defined these recommendations as ‘key recommendations’.	No	n/a
Improvement	These recommendations, if implemented should improve the arrangements in place at the CCG, but are not a result of identifying significant weaknesses in the CCG’s arrangements.	Yes	12 and 13

