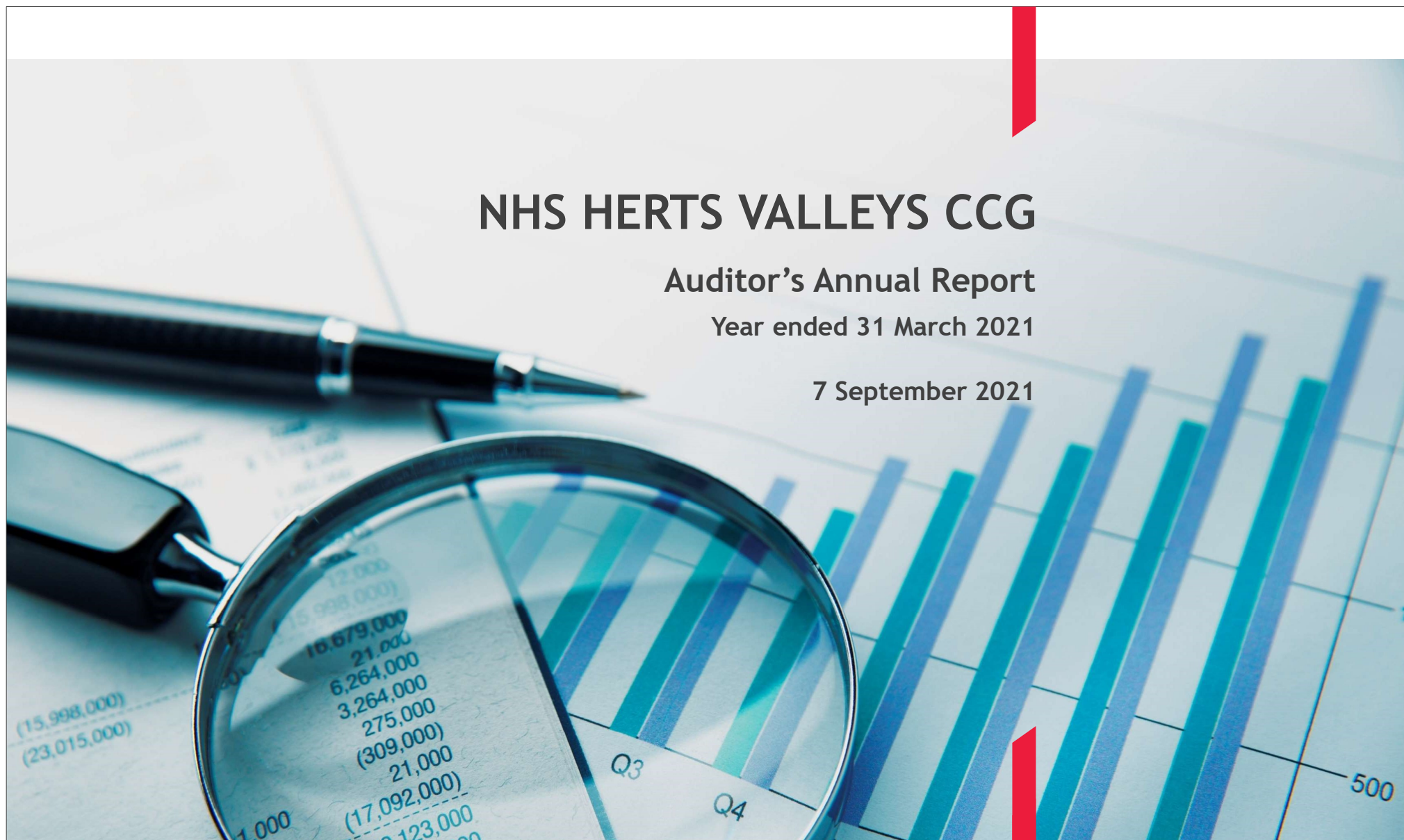


NHS HERTS VALLEYS CCG

Auditor's Annual Report

Year ended 31 March 2021

7 September 2021



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EXECUTIVE SUMMARY

This Auditor's Annual Report provides a summary of the key issues arising from our audit of NHS Herts Valleys CCG (the 'CCG') for the year ended 31 March 2021.



Area

Financial statements

We issued an unqualified opinion on the CCG's financial statements on 16 June 2021.

This means that we consider that the financial statements give a true and fair view of the financial position and its net expenditure for the year.

Regularity

We did not identify any matters where irregular expenditure had been incurred.

Value for money

We have not identified any significant weaknesses in respect of the CCG's arrangements for securing economy, efficiency and effectiveness in its use of resources having regard to the specified criteria in the Code.

Other reporting

We did not consider it necessary to use our auditor powers or report on other matters.

The contents of this report relate only to those matters which we are required to report under the NAO Code of Audit Practice (April 2020). This report has been prepared solely for the use of the CCG and should not be shown to any other person without our express permission in writing. In preparing this report we do not accept or assume responsibility for any other purpose or to any other person.

PURPOSE AND RESPONSIBILITIES

Purpose of the Auditor's Annual Report

This Auditor's Annual Report summarises the key issues arising from the work that we have carried out in respect of the year ended 31 March 2021.

It is addressed to the CCG but is also intended to communicate the key findings we have identified to key external stakeholders and members of the public.

Responsibilities of the CCG

It is the responsibility of the CCG to ensure that proper arrangements are in place for the conduct of its business and that public money is safeguarded and properly accounted for.

The CCG is also responsible for preparing and publishing its financial statements, annual report and governance statement.

Responsibilities of auditors

Our responsibility is to plan and carry out an audit that meets the requirements of the National Audit Office's (NAO's) Code of Audit Practice - April 2020 (the 'Code').

Under the Code, we are required to review and report on:

- Whether the financial statements give a true and fair view of the financial position of the CCG and of its income and expenditure for the year and have been properly prepared in accordance with the relevant legislation
- Whether the other information published together with the financial statements is consistent with the financial statements
- Whether the auditable parts of the remuneration and staff report are properly prepared
- Whether the governance statement complies with the guidance issued
- Whether financial transactions and resources authorised by Parliament have been used for the purposes for which it was provided
- Whether the CCG has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources
- Where appropriate, make statutory recommendations, refer matters to the Secretary of State or issue a Public Interest Report.

FINANCIAL STATEMENTS

Audit conclusion

We issued an unqualified audit opinion on the financial statements on 16 June 2021.

This means that we consider that the financial statements give a true and fair view of the CCG's financial position and its net expenditure for the year.

We reported our detailed findings to the 10 June 2021 Governance and Audit Committee meeting.

Significant deficiencies in controls

We did not identify any significant control deficiencies during the audit of the financial statements.

Audit differences

There were 2 unadjusted audit difference identified by our audit which would decrease net operating expenditure for the year by £4.652 million. Management did not to adjust the financial statements for these items as the impact was not material.

VALUE FOR MONEY

Scope

We are required to review and report on the CCG's arrangements for securing economy, efficiency and effectiveness in its use of resources. Where we identify significant weaknesses in these arrangements we are required to report this in the auditor's report included in the financial statements and to make recommendations for improvement in the Auditor's Annual Report.

Specified criteria

The NAO has issued guidance for auditors to report against three specified reporting criteria:

- Financial sustainability - planning and managing resources to ensure the CCG can continue to deliver its services
- Governance - informed decisions and properly managing risks
- Improving economy, efficiency and effectiveness - using information about costs and performance to improve the way the CCG manages and delivers its services.

The NAO guidance also includes a number of further areas for review within each criteria to allow the auditor to assess those arrangements.

Risk assessment

Our risk assessment did not identify any areas of potential significant weaknesses.

Funding and contracting arrangements for 2020/21

Our work has been performed in the context of the guidance issued by NHS England and NHS Improvement (NHSE/I) in response to Covid-19 and the suspension of normal Payment by Results contracting.

For the first six months, NHS providers moved to block allocations and funding top-ups from CCGs and NHSE were made to cover costs. For the second six months, Integrated Care System areas received an overall funding envelope based on payments for the first half of the year that was distributed across commissioners and providers. This arrangement was designed to enable all commissioners and providers to break-even.

Funding and budgeting for 2021/22 is again based on system funding envelopes.

As a result, normal financial planning arrangements, savings and efficiency requirements, and performance monitoring arrangements were suspended.

Audit conclusion

We have not identified any significant weaknesses in the CCG's arrangements for securing economy, efficiency and effectiveness in its use of resources.

We had no matters to report by exception in the audit report on the financial statements. We also have no matters to report in our closing audit certificate, on completion of our work on the CCG's value for money arrangements.

VALUE FOR MONEY

Financial sustainability - planning and managing resources

Areas reviewed:

- How significant financial pressures relevant to short and medium-term plans identified and built into plans
- Plans to bridge funding gaps and to identify achievable savings
- Whether financial plans support the sustainable delivery of services in accordance with strategic and statutory priorities
- The consistency of financial plans 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
- Identification and management of risks to financial resilience e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Auditor's commentary on arrangements

How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

In previous years the CCG has set and achieved balanced plans. In March 2020 the CCG had produced a draft financial plan to achieve the required control total, and this was approved by the Governing Body. The plan had a QIPP requirement of £16m which was higher than the £14.64m delivered in 19/20, but still only represented 1.8% of allocation (excluding delegated funds).

The plan followed the national guidance incorporating the required targets and agreed growth assumptions on forecast outturn with the level of savings that would be required to enable the CCG to achieve financial balance. Areas where savings would be targeted had been identified with some of this built into the contracting process ongoing with providers. The plan was aligned with the Integrated Care System (ICS)/ Sustainability and Transformation plan and followed the 5-year strategic plan.

Later in March, in response to the pandemic, the NHS abandoned this planning process and instigated a new regime which initially covered the first 6 months funding to CCGs. The CCG continued to monitor spend that remained within its control and identified additional spend incurred due to the Covid response which it able to claim as top ups and so maintained a balanced position.

From Month 7 the NHS funding changed to allocations on an ICS basis and the CCG participated to produce a balanced plan within the overall ICS allocation and alongside the other CCGs and providers within the ICS. This was based around the predetermined block payments made to Acute providers. The plan for months 7-12 was taken to the Governing Body in November. Although the CCG set a balanced plan, the providers within the ICS had expected deficits. This was due in part to increased costs such as; annual leave accruals, additional staff costs associated with the extra time needed to respond to Covid, and loss of income such as that for car parking. However as additional funding was received for these items, the whole system was able to exit the year in balance. The CCGs final allocation, and total expenditure in 20/21, was £992 million.

During the year the CCG has provided regular financial reports to NHSE, the Finance Committee and the Governing Body, clearly narrating the current financial regime in place as well as the financial position and the risks to achieving plan with required mitigations. Financial reporting has also closely tracked and reported all Covid related spend. The year-to-date outturn was distorted by a central error in the allocation relating to Mental Health Investment, but the CCG clearly reported the underlying position until this was resolved. The CCG achieved an outturn slightly better than plan.

VALUE FOR MONEY

Financial sustainability - planning and managing resources

Areas reviewed:

- How significant financial pressures relevant to short and medium-term plans identified and built into plans
- Plans to bridge funding gaps and to identify achievable savings
- Whether financial plans support the sustainable delivery of services in accordance with strategic and statutory priorities
- The consistency of financial plans 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
- Identification and management of risks to financial resilience e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

How the body plans to bridge its funding gaps and identifies achievable savings

The implementation of the financial regime, in particular the revised block funding to acute providers, meant that savings were difficult to achieve and the QIPP achievement ceased to be monitored by the CCG, as it was no longer required in the new regime. In a usual year, the QIPP schemes would ensure that any funding gaps had been bridged. The CCG was still able to achieve a balanced outturn in 2020/21, in line with the revised plans made under the new regime.

It is currently unclear whether and to what extent control totals and savings targets will be re-introduced for the remainder of 2021/22. The CCG remains under a funding regime consistent with months 7 to 12 of 2020/21 as at the date of this report, with an expectation that this top-up funding will remain in place for at least the first 6 months of 2021/22.

How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

The Covid pandemic radically changed the requirements and demands of the CCG population, and the CCG had to urgently put in place measures to respond to that need. The financial regime mandated by NHS England was implemented by the CCG in response to the rapidly changing priorities that emerged as the pandemic developed.

Standard contracting arrangements between commissioners and providers was suspended. All expenditure in the first six months of the year was fully funded. With the implementation of system wide funding in the second half of the year, decisions about how this funding was to be allocated within the system were made locally by commissioners and providers.

Covid reimbursement funding was also available during months one to six of the 2020/21 financial year. The purpose of this funding was to ensure that the CCG's income equalled its expenditure during this period. Information about the additional costs arising as a result of these activities was submitted to NHSI who then validated the details and performed a sense check over the funding. The tight monitoring of Covid related spend has allowed the CCG to claim the additional top up funding to recover the cost in the first half of the year.

VALUE FOR MONEY

Financial sustainability - planning and managing resources

Areas reviewed:

- How significant financial pressures relevant to short and medium-term plans identified and built into plans
- Plans to bridge funding gaps and to identify achievable savings
- Whether financial plans support the sustainable delivery of services in accordance with strategic and statutory priorities
- The consistency of financial plans 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
- Identification and management of risks to financial resilience e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Whilst the second half of the year moved to a system allocation, the services were still distorted by the additional demands of the Covid response. However, the CCG and the ICS have continued to monitor national and local targets and are now looking towards the reduction of elective backlog with restorative and recovery planning to move towards the achievement of targets. As part of its planning, the CCG allocated funds to ensure delivery of investment to the national priorities including investment in Mental Health and primary care.

Review of the papers of the Quality and Performance Committee shows that the statutory targets were closely monitored with management plans in place and review was made of quality and safety in hospital and care home settings. By the end of the year the CCG and providers had made progress to recover the position although they were set back by the second wave of the pandemic.

The Covid-19 related challenges faced by the CCG are similar to those currently facing all health sector entities in the country. We note that these issues have been reported regularly to the Board and other committee meetings, with detailed action plans observed to be in place, including the monitoring of progress against these plans. This evidences that arrangements are in place to ensure proper use of resources in the face of these challenges.

How the body ensures that 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

The CCG's own financial plan sits within the ICS plan, which was produced following national guidance and includes; finance, workforce, activity and capital. The ICS plan was agreed by the ICS Chief Finance Officer and all individual organisations in the system by the NHSE deadline of 15 June 2021.

The CCG has a clear understanding of the objectives and financial plans for the ICS, with the CCG's Accountable Officer being the Accountable Officer for the ICS, and regular meetings taking place between the systems' Finance Directors and Chief Finance Officers.

The CCG has participated in the monitoring of the ICS position with regular updates of the system position being reported to the ICS systems group and the bi-monthly ICS Partnership Board.

VALUE FOR MONEY

Financial sustainability - planning and managing resources

Areas reviewed:

- How significant financial pressures relevant to short and medium-term plans identified and built into plans
- Plans to bridge funding gaps and to identify achievable savings
- Whether financial plans support the sustainable delivery of services in accordance with strategic and statutory priorities
- The consistency of financial plans 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
- Identification and management of risks to financial resilience e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

How the body identified and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans

Monthly reporting to NHSE/I has continued, and there have been regular reports to the Finance Committee. Our review of the minutes has shown that there has been challenge and scrutiny to the assumptions and forecasts.

The finance reports are also reported to the Governing Body, with the minutes of the Finance Committee, to provide additional scrutiny of the financial position, and place the information in papers that are published to the public. All meetings, including those of the the Finance Committee, are structured to record any risks that may be identified at the meeting. These risks, plus any risks identified by the financial reports, are clearly captured and monitored by the committee and fed into relevant risk registers with significant risks being captured on the Board Assurance Framework (BAF) where they are subject to scrutiny of the Governing Body. Alongside the risks, mitigations and their implementation are similarly monitored.

Overall, if events or conditions were to happen which led to significant unplanned changes to management plans, then these would be identified through review of the financial information and operational activity and factored into performance reporting to the Governing Body and its sub committees. Significant unplanned changes are rare and the only example observed in respect of this in recent years has been the pandemic, for which national guidance was issued and additional funding provided.

We are satisfied that the impact of the pandemic was incorporated into the management of risks associated with financial resilience.

VALUE FOR MONEY

Governance - informed decisions and properly managing risks

Areas reviewed:

- How risks are assessed and monitored to gain assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- The annual budget setting process
- Systems and processes are in place to ensure budgetary control, support statutory financial reporting requirements are met and corrective action is taken where needed
- Whether the CCG makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency
- Observance of appropriate standards, such as meeting legislative / regulatory requirements and standards in terms of officer or member behaviour

Auditor's commentary on arrangements

How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

The Risk Management Strategy and Procedure sets out the roles and responsibilities to manage risk, accountabilities and the process to monitor risk. During the year revised procedures were put in place to enable the decision-making process to be accelerated and arrangements to be put in place on a timely basis. These arrangements included a new operational tactical delivery group (TDG) and the operational recovery management group (RMG), with both taking a role in risk management and the Risk Management Strategy was revised to reflect these changes.

Whilst the Governing Body has the overall accountability, the Audit Committee is responsible for the oversight of governance arrangements including risk. The overarching document to report and monitor risk is the Board Assurance Framework (BAF) which is supported by the corporate risk register and registers held at a directorate level. The BAF is presented to the Governing Body on a regular basis, but the Audit Committee provide more detailed review and challenge and give assurance to the Board. The CCG revised the format of the BAF to improve reporting and to align the CCGs within the ICS. Post year-end, this proposed revision was scrutinised and approved by the Audit Committee, and further work is to be done to align the strategic objectives between the CCGs in the system, to enable a more focused approach. This work had initially been paused due to a boundary uncertainty; but now resolved, the work is expected to continue at pace.

The Audit Committee manages an annual plan for Internal Audit and Counter Fraud services which is provided by RSM. The Head of Internal Audit Opinion for 2020/21 was that the organisation has an 'adequate and effective framework for risk management, governance and internal control'. This assurance was provided following reviews done by internal audit throughout the year, in several areas.

The Internal Audit program of work has included an audit of the Risk management and Board assurance framework which gave a substantial assurance opinion. Additionally, there were two advisory reports on the arrangements for Covid governance, and a review of the governance documentation. Whilst raising some advisory points to the CCG the report noted that the CCG had well designed controls in place in response to Covid.

VALUE FOR MONEY

Governance - informed decisions and properly managing risks

Areas reviewed:

- How risks are assessed and monitored to gain assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- The annual budget setting process
- Systems and processes are in place to ensure budgetary control, support statutory financial reporting requirements are met and corrective action is taken where needed
- Whether the CCG makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency
- Observance of appropriate standards, such as meeting legislative / regulatory requirements and standards in terms of officer or member behaviour

A Counter Fraud Annual report was produced and presented to the Audit Committee, showing that the annual plan had been delivered including proactive work to mitigate identified risks and provision of fraud awareness information as well as provision of reactive investigation work as required. The report showed compliance against the new Government Functional Standard, measured through the Counter Fraud Functional Standard return, giving a green (fully compliant) rating.

How the body approaches and carries out its annual budget setting process

As noted above, the pandemic resulted in suspension of usual planning processes. Our review of previous years' financial plans, in year budgeting and 2021/22 planning within the ICS allocation, supported by discussions with members of the CCG and reviews of papers and minutes; has shown that the CCG prepares realistic budgets using growth trends, inflation assumptions and calculations of investments required to achieve national targets. In previous years the CCG has a good track record of achieving results to plan, and this further supports that budgets are realistic and well prepared.

In the current year the CCG has been required to follow a mandated financial regime. Although to some extent this has simplified the planning process for CCGs, it has been subject to late notification. The CCG has managed to respond well and still produce detailed financial reports that have allowed monitoring of variances from plans.

The CCG has produced a balanced plan for month 1-6 of 2021/22, as a part of the overall ICS, noting some risks around delivery; notably, the general risk of the uncertainties of the future allocations and funding regimes. However specific risks have also been identified in relation to expenditure on continuing healthcare, acute care costs and prescribing; with potential mitigation from system working efficiencies and non-recurrent measures.

How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed

Regular finance reports are produced and are reported to the Finance Committee, which has met monthly in 20/21 to increase scrutiny. The Finance Committee receives reports showing and explaining variances at a programme budget level, which enables it to add oversight and challenge.

VALUE FOR MONEY

Governance - informed decisions and properly managing risks

Areas reviewed:

- How risks are assessed and monitored to gain assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- The annual budget setting process
- Systems and processes are in place to ensure budgetary control, support statutory financial reporting requirements are met and corrective action is taken where needed
- Whether the CCG makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency
- Observance of appropriate standards, such as meeting legislative / regulatory requirements and standards in terms of officer or member behaviour

In 2020/21 the Governing Body received the same reports directly and also minutes of the Finance Committee. These reports clearly explained the plans and the actual outturn, and detail the forecasts made with supporting information on the assumptions, risks and potential mitigations.

The Finance Committee also receives non-financial information on contracts to deal with issues on over performance, where this is still relevant to contracts. During 2020/21, this area was less key to the financial position due to the revised contracting methodologies, however, the Finance Committee has continued to look at activity and advise on areas that remain within the CCG's control.

The Finance team work closely with budget holders to support their decision-making process. During the year, Internal Audit reviewed the Budget Management Culture and gave reasonable assurance and noted that budget holders received reports from the finance staff and attended meetings with them which supports the budgetary control process.

Non-Financial performance is monitored and securitised by the Quality and Performance Committee which also provides reports and minutes to the Board.

How the body 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

The Governing Body has the main responsibility to ensure that decisions are made appropriately. Minutes of meetings of sub committees are presented to the Governing Body for review. The Governing Body holds meetings in public so there is clear visibility of process.

There is delegation to a number of sub-committees to provide a more detailed review and additional challenge. These include the Finance Committee and the Audit Committee. Key papers, such as those on the financial position are also reported to the Governing Body.

Minutes of the Governing Body meetings show that challenge and review is given to papers before decisions are made, and decisions are documented both in the minutes and the Decision Register which is published on the public website.

The CCG also has a Patient and Public Involvement Committee which has continued to meet regularly throughout the year, and these minutes are received by the Governing Body.

VALUE FOR MONEY

Governance - informed decisions and properly managing risks

Areas reviewed:

- How risks are assessed and monitored to gain assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- The annual budget setting process
- Systems and processes are in place to ensure budgetary control, support statutory financial reporting requirements are met and corrective action is taken where needed
- Whether the CCG makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency
- Observance of appropriate standards, such as meeting legislative / regulatory requirements and standards in terms of officer or member behaviour

How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interest)

The Audit Committee has the responsibility to ensure that the correct policies are in place. The Standards of Business Conduct Policy sets out the framework which the CCG follows covering conflicts of Interest, Gifts and Hospitality and Counter Fraud.

The management of Conflicts of Interest is embedded in the culture with reminders to disclose conflict sent prior to meetings, at the start of meetings and within individual papers with potential issues and the management of them being clearly documented within minutes.

A Gift and Hospitality Register is held and made available on the website and is reviewed and monitored by the Audit Committee. The CCG's management of Conflicts of Interest was reviewed by Internal Audit in the year and given a reasonable assurance opinion.

The CCG has arrangements in place that are designed to promote and ensure the good conduct of its business. Nothing has been identified that would suggest that there is a lack of communication and enforcement of integrity and ethical values. The CCG received a 'good' rating in the 2019/20 CCG Annual Assessment from NHSE and is not under directions.

How financial and performance information has been used to assess performance to identify areas for improvement

The Finance Committee receives financial and contract performance data, and whilst the funding of NHS providers has moved to a simplified block arrangement, the Committee has continued to monitor the more limited areas where it is able to influence. Explanations on variance support the assessment of performance against financial targets.

The Quality and Performance committee has remained active in order to monitor the performance of providers, and of the CCG against its performance targets, and identified areas that require management plans.

VALUE FOR MONEY

Governance - informed decisions and properly managing risks

Areas reviewed:

- How risks are assessed and monitored to gain assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- The annual budget setting process
- Systems and processes are in place to ensure budgetary control, support statutory financial reporting requirements are met and corrective action is taken where needed
- Whether the CCG makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency
- Observance of appropriate standards, such as meeting legislative / regulatory requirements and standards in terms of officer or member behaviour

The system has continued to work towards improvements, despite the situation in the current year somewhat reducing opportunity. Improvements from the enforced changes to working practice, notably the extended use of Virtual appointments both in acute and primary care settings, have been continued. This has enabled the number of appointments being offered to be expanded.

As the system moves into the Restoration and Recovery phase, whilst noting that infection prevention and control procedures have reduced productivity, new ways to triage those on waiting lists and to route to the most appropriate clinical pathway have been identified and implemented.

VALUE FOR MONEY

Improving economy, efficiency and effectiveness - using information to improve services

Areas reviewed:

- Use of financial and performance information to assess performance and identify areas for improvement
- Evaluation of services provided to assess performance and identify areas for improvement
- How the CCG delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve
- Commissioning and procurement of services in accordance with relevant legislation, professional standards and internal policies, and how the CCG assesses whether it is realising the expected benefits from these arrangements

Auditor's commentary on arrangements

How the body evaluates the services it provides to assess performance and identify areas for improvement

Whilst many routine inspections and meetings have been stopped to allow for a focus on Covid services, the CCG has maintained review of the services it commissions and has adapted to monitor the Covid response. This includes the set-up and progress of vaccination services. Later in the year, the focus moved to looking at both the reduction of backlog routine services, and to areas such as Mental Health, where the pandemic and the temporary suspension or reduction of services has caused increases in problems with clients suffering setbacks.

During the pandemic, service adaptations were made to manage the risks of infection and the reduced service capacity. As the system moves back to normal service the CCG has continued to evaluate the changes and has kept and expanded some areas of good practice for example the virtual hospital services, initially in respiratory services, to support people outside of hospital but now being rolled out to other areas. Similar innovations are being used in primary care.

During the year Internal Audit produced a report on provider quality assurance giving a 'reasonable assurance' rating. The report focused on monitoring undertaken prior to the requirement to suspend activities to focus on the pandemic response and found that, for the sample of providers tested, the CCG had strong control around clear roles and responsibilities with good escalation measures to tackle underperformance.

How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve

The CCG is closely and actively working within the ICS and in particular this year the CCG has worked closely with providers and Hertfordshire County Council (HCC) at an operational level. CCGs have begun joint Board meetings and have started to align their processes and following confirmation of West Essex being within the border, this work is now continuing at pace.

The Health and Care Partnership operated in shadow form in 2019/20 and includes all local providers and HCC as well as the CCGs. This forum is looking at five key areas, for example frailty, to provide an integrated solution.

VALUE FOR MONEY

Improving economy, efficiency and effectiveness - using information to improve services

Areas reviewed:

- Use of financial and performance information to assess performance and identify areas for improvement
- Evaluation of services provided to assess performance and identify areas for improvement
- How the CCG delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve
- Commissioning and procurement of services in accordance with relevant legislation, professional standards and internal policies, and how the CCG assesses whether it is realising the expected benefits from these arrangements

Governing Body and Primary Care Committee meetings in public have been maintained with a Virtual facility and the recordings of meetings have extended the availability. Patient participation has also been maintained with representation on committees and the Patient Participation Group.

Where the body commissions or procures services, how the body ensures that this is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits

The CCG operates within a governance framework for the procurement of services, this includes its procurement policy. However the CCG is aware that this policy may need to be revised as it moves into the ICS. There is an expectation that guidance will be received to support this.

During the pandemic there were revised procedures in place. Gold command and various groups were set up with a daily meetings, allowing a rapid and reactive process to take place. Renewal of contracts was significantly suspended, with contracts being extended and funding agreed under national terms, aimed in part to ensure the survival of services.

Acute NHS providers were put under a block contract, with the values being given by NHSE based on uplifted values from values during the prior year. The removal of the 'payment by results' basis removed the ability to pay based on activity received and the emphasis moved to working together to ensure safe services. This was initially in response to the needs of the population due to Covid and later to plan the recovery of targets and waiting list levels. The CCG did, however, continue to monitor the levels of activity received.

The CCG did not undertake any significant procurements in the year and from our review of minutes, meetings with management and other audit work completed during the year, there is no indication of non-compliance with laws and regulations.

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The matters raised in our report prepared in connection with the audit are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the entity and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

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