

**NHS DORSET CLINICAL COMMISSIONING GROUP
GOVERNING BODY SPECIAL MEETING
REVIEW OF FINANCIAL STATEMENTS**

Date of the meeting	23/05/2018
Author	A Gladwell, Head of Financial Accounts
Purpose of Report	In accordance with the National Health Service Act 2006 the Clinical Commissioning Group has prepared financial statements for the year ended 31 March 2018.
Recommendation	The Governing Body is asked to approve the Financial Statements for the year ended 31 March 2018.
Stakeholder Engagement	Audit Committee, CCG management, external audit
Previous GB / Committee/s, Dates	N/A

Monitoring and Assurance Summary

This report links to the following Strategic Objectives	<ul style="list-style-type: none"> Leading and Working Differently 		
	Yes [e.g. ✓]	Any action required?	
		Yes Detail in report	No
All three Domains of Quality (Safety, Quality, Patient Experience)	✓		✓
Board Assurance Framework Risk Register	✓		✓
Budgetary Impact	✓		✓
Legal/Regulatory	✓	✓	
People/Staff	✓		✓
Financial/Value for Money/Sustainability	✓		✓
Information Management & Technology	✓		✓
Equality Impact Assessment	✓		✓
Freedom of Information	✓		✓
I confirm that I have considered the implications of this report on each of the matters above, as indicated	✓		

Initials: AG

1. Introduction

- 1.1 The Clinical Commissioning Group has prepared financial statements for the year ended 31 March 2018, in accordance with the National Health Services Act 2006.
- 1.2 In preparing the financial statements, the Accountable Officer (Chief Officer) is required to comply with the Group Accounting Manual (GAM) issued by the Department of Health and in particular:
- Observe the Accounts Direction issued by NHS England, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
 - Make judgements and estimates on a reasonable basis;
 - State whether applicable accounting standards as set out in the GAM have been followed, and disclose and explain any material departures in the financial statements; and
 - Prepare the financial statements on a going concern basis.

2. Report

- 2.1 The draft financial statements were submitted to NHS England in accordance with the timetable set by NHS England on the 23 April 2018.
- 2.2 The performance notes to the financial statements are included below:

2.3 Financial Performance Targets

2.3.1 Performance against financial duties:

	Target £'000	Performance £'000
Expenditure not to exceed income	1,205,668	1,172,083
Capital resource use does not exceed the amount specified in the Directions	497	497
Revenue resource use does not exceed the amount specified in Directions	1,192,060	1,158,475
Revenue administration resource use does not exceed the amount specified in Directions	16,989	16,006

2.3.2 Better payment practice code

Measure of Compliance	2017-18	
	Number	£000
Non-NHS Payables		
Total Non-NHS trade invoices paid in the year	28,232	280,810
Total Non-NHS trade invoices paid within target	<u>27,698</u>	<u>278,166</u>
Percentage of Non-NHS trade invoices paid within target	<u>98.1%</u>	<u>99.1%</u>
NHS Payables		
Total NHS trade invoices paid in the year	3,982	757,003
Total NHS trade invoices paid within target	<u>3,935</u>	<u>757,063</u>
Percentage of NHS trade invoices paid within target	<u>98.8%</u>	<u>100.0%</u>

2.4 Additional Surplus

- 2.4.1 CCGs were required to hold a 0.5 percent reserve in 2017/18, resulting in an additional surplus for the year of £5.1m.
- 2.4.2 In addition, the CCG received a category M prescribing rebate to reflecting a national pricing pressure. This amounted to £1.2m for NHS Dorset CCG, which was to be held as a further additional surplus for the year.
- 2.4.3 These additional amounts will be carried forward for drawdown in future years.

2.5 Critical Accounting Judgements

- 2.5.1 A provision has been made against applications for continuing healthcare support where a panel has not yet met to determine whether the application is approved. The provision is calculated on a named basis for the period that continuing healthcare may be eligible, at the probability rate of the application being awarded.

2.6 Going Concern and Fraud Checklists

- 2.6.1 The accounts have been prepared on a going concern basis. A review of the factors affecting going concern is included at Appendix 2, which has been shared with external audit for information.
- 2.6.2 A review has also been completed of fraud risk, and this is included at Appendix 3.
- 2.6.3 Management responses to the auditors are shown in Appendix 4.

2.7 Dorset provider FT collective financial performance

- 2.7.1 All four Dorset providers achieved their respective control totals, set at a deficit of £10.4m.

- 2.7.2 As a result of their individual achievements, this attracted additional bonuses of £15.5m, with £6.5m being a general distribution bonus following other providers in the country not meeting their agreed targets.
- 2.7.3 This was a significant achievement which contributed, alongside other movements to the control totals, to a final draft reported outturn position for the providers of a combined £5.9m surplus (subject to audit).

3 Conclusion

- 3.1 The external audit of the Financial Statements for the year ended 31 March 2018 is nearly complete.
- 3.2 The Governing Body is asked to approve the financial statements for the year ended 31 March 2018.
- 3.3 The Governing Body is asked to note the significant achievement of the CCG in delivery of its financial duties and also to note this achievement within the context of the performance delivered by the Dorset providers.

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Date : 16 May 2018
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APPENDICES	
Appendix 1	Financial Statements for the year ended 31 March 2018
Appendix 2	Going Concern Checklist prepared by management
Appendix 3	Fraud Checklist prepared by management
Appendix 4	Responses from Management