

**NHS DORSET CLINICAL COMMISSIONING GROUP
GOVERNING BODY MEETING
FINANCIAL CONTROL ENVIRONMENT ASSESSMENT**

Date of the meeting	18/11/2015
Author	A Gladwell - Head of Financial Accounts
Sponsoring GB member	P Vater - Chief Finance Officer
Purpose of Report	NHS England requires the CCG to self-assess its financial control environment and for the Governing Body to review this assessment
Recommendation	The Governing Body is asked to approve the CCG's Financial Control Environment Assessment.
Stakeholder Engagement	Audit & Quality Committee, CCG management, internal audit, CCG staff
Previous GB / Committee/s, Dates	Audit and Quality Committee - 14 October 2015

Monitoring and Assurance Summary

This report links to the following Strategic Principles	<ul style="list-style-type: none"> Sustainable healthcare services 		
	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 NHS England has embarked on a national initiative to achieve financial resilience and sustainability in the commissioning sector.
- 1.2 A key element of the process is for each CCG to complete a self-assessment of their financial governance and control environment.
- 1.3 The assessment has been submitted in draft form to NHS England as at the end of August, with a final version to be submitted following review by the Audit and Quality Committee.
- 1.4 The Audit and Quality Committee approved the Financial Control Environment Assessment has shown at Appendix 1 on the 14 October 2015.
- 1.5 The Governing Body is asked to approve the assessment.

2. Background

- 2.1 Although the commissioning system achieved financial balance in 2014/15, there were some significant deficits amongst CCGs, with some deteriorating materially from plan. A review of five of the worst performing CCGs in 2014/15 identified a common theme of weak financial governance.
- 2.2 In a response to this, NHS England has launched an initiative to deliver a key priority for the NHS in 2015/16 of achieving financial resilience and sustainability.
- 2.3 To support the process, all CCGs have been asked to complete a self-assessment checklist, which needs to be reviewed by the Audit and Quality Committee before final submission.
- 2.4 NHS England required a draft version to be submitted by 31st August 2015 and this was prepared by the CCG's finance department, with input from the department heads, Chief Financial Officer and Deputy CFO.
- 2.5 Internal audit reviewed and commented on the draft assessment and, following some minor changes suggested by TIAA, the draft assessment was further reviewed by Tim Goodson prior to submission.
- 2.6 Although the consensus is that the majority of assessed areas should be rated Good or Excellent, there are two areas it is felt the CCG should rate as Moderate:
 - Longer term planning;
 - Financial reporting – sufficiency of board reporting to manage overall financial position.
- 2.7 These identified areas need to be addressed and strengthened.

3. Actions to Address Moderate Assessments

3.1 Longer Term planning:

- The CCG's current planning submission does not model Dorset's Clinical Services Review (CSR), which is subject to further working up;
- Public consultation will not commence until early 2016, following which the agreed service developments can be modelled and included in future CCG long term planning.

3.2 Financial reporting – sufficiency of board reporting to manage overall financial position:

- Current reporting does not include full income & expenditure, cash and balance sheet;
- Finance are developing the necessary reports for inclusion from the quarter 2 reporting cycle (September 2015 reporting);
- Income & expenditure, cash and balance sheet will then be integral to CCG reporting.

4. Conclusion

- 4.1 The Governing Body is asked to **approve** the Financial Control Environment Assessment in Appendix 1, with reference to the NHS England letter and guidance in Appendices 2 and 3.

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Date : 4th November 2015
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APPENDICES	
Appendix 1	Final Financial Control Environment Assessment
Appendix 2	Financial Control Environment Letter from NHS England
Appendix 3	Financial Control Environment Assessment Guidance