

Financial Control Environment Assessment

CCG name	NHS Dorset CCG
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Choose from drop down



Area of consideration	Sub-area	Excellent	Good	Moderate	Improvement needed	Self-assessment	Key reasons for categorisation of assessment	Actions to address issues identified	Timing for completion of actions		
Financial performance	1	Longer term planning	Medium term financial strategy, well developed, consistent with and with sufficient funding to deliver commissioning strategy. Meets business rules and sustainable. Adequate contingencies and reserves to respond to unforeseen events. Key risks identified with clear mitigation plans. Finance actively involved in service developments, procurements and wider commissioning agenda.	Medium term financial strategy, well developed, largely consistent with sufficient funding to deliver the commissioning strategy. Meets business rules and sustainable. Contingencies and reserves identified to respond to unforeseen events. Key risks identified with some mitigation plans. Finance consulted on service developments, procurements and other changes.	Medium term financial strategy largely consistent with commissioning strategy but needs further development and has potential funding gaps. Meets majority of business rules including surplus but some issues re sustainability. Some contingencies and reserves identified but may not be sufficient to respond to unforeseen events. Some key risks identified with mitigation plans but further work required. Limited finance input to service improvements, procurements and improvements except for immediate finance impact.	Medium term financial strategy not consistent with commissioning strategy, needs further development and shows significant funding gaps. Does not meet majority of business rules including surplus; issues re sustainability. Some contingencies and reserves identified but not deemed sufficient to respond to unforeseen events. Key risks to be identified and mitigations developed. Service developments, procurements and improvements initiated with limited or no finance input.	Moderate	Our planning submission does not model Dorset's Clinical Services Review (CSR). The CCG has identified gaps over the medium to long term, hence the requirement for a CSR. Finance are involved in/consulted on service developments, procurements and the wider commissioning agenda.	CSR is a large scale review and options proposal for the county of Dorset, and subject to further working up (following discussions with NHS England) and then a public consultation that will not commence until early 2016.	Ongoing	
	2	Detailed financial planning	Credibility and degree of stretch	Planning assumptions within the guidelines set by NHS England. Plans stretching with challenging, fully identified QIPP. Comprehensive plans with responsibilities and timescales identified. Very high confidence that plan achievable with well worked contingency plans and/or reserves. Plans including QIPP are appropriately phased and reflected in budgets.	Planning assumptions within the guidelines set by NHS England. Plans stretching with challenging QIPP. Comprehensive plans with key responsibilities and timescales identified. Moderate to high confidence that plan achievable with contingency plans and/or reserves identified. Key elements of plans including QIPP are phased appropriately and reflected in budgets.	Planning assumptions largely within the guidelines set by NHS England with justified exceptions. Achievable QIPP that could be stretched further, or significant amount of unidentified QIPP. Plans with some key responsibilities and timescales identified but further work required. Moderate confidence that plan achievable with some contingency plans and/or reserves identified. Majority of plans including QIPP have phasing that reflects delivery and are reflected in budgets but some work required.	Planning assumptions significantly outside the guidelines set by NHS England. QIPP lacks ambition compared to others, and/or has significant elements under developed or unidentified. Plans require responsibilities and timescales to be identified. Low to moderate confidence that plan achievable with limited contingency plans and/or reserves identified. Major issues with phasing of plans including QIPP with phasing out of line with delivery.	Good	Planning assumptions within NHS England guidelines. QIPP is embedded within the contract process, so form part of the SLAs with providers. There is moderate to high confidence that plan is achievable and contingency plans/reserves are in place. Budgets phased appropriately.	TBA	TBA
	3	Alignment with activity and provider contracts	Plans well aligned with planned and contracted activity. Contracts signed with all main providers. Very high confidence that plans have sufficient financial resource to deliver CCG & national targets.	Plans largely aligned with planned and contracted activity but some limited gaps being resolved. Contracts signed with providers making up over 80% of expenditure. Moderate to high confidence that plans have sufficient financial resource to deliver CCG & national targets.	Plans reasonably aligned with planned and contracted activity but some significant gaps being resolved. Contracts signed with providers making up over 70% of expenditure. Moderate confidence that plans have sufficient financial resource to deliver CCG & national targets.	Plans only partially or not aligned with planned and contracted activity. Major gaps to be resolved. Contracts with main providers remain unsigned. Low/moderate confidence that plans have sufficient financial resource to deliver CCG & national targets.	Excellent	Plans fully aligned to contract positions at points of negotiation. Contracts signed by all main providers.	None identified	N/A	
	4	In year financial performance	All business rules forecast to be delivered for full year with contingency plans and reserves available as required. QIPP plan forecast to be achieved. Year to date expenditure to be in line with plan or below with minimal offsetting across categories. Expenditure run rate forecast to be in line with plan with no signs of deterioration.	All business rules forecast to be delivered for full year with contingency plans and reserves available as required with only minor exceptions. QIPP plan forecast to be achieved. Year to date expenditure to be in line with plan or below. Expenditure run rate forecast to be in line with plan with any signs of deterioration being addressed.	Business rules largely forecast to be delivered for full year with some contingency plans and reserves available - more work required to secure plan outcome. QIPP plan forecast to be over 75% achieved. Year to date expenditure to be in line with plan overall but with some significant areas of overspend. Expenditure run rate forecast to be broadly in line with plan but with significant signs of deterioration that need to be addressed.	Majority of business rules forecast not to be delivered for full year. Limited or no contingency and reserves available. Low confidence that will secure plan outcome. QIPP plan forecast to be less than 75% achieved. Year to date expenditure above plan or some key areas of overspend. Expenditure run rate forecast to be higher than plan.	Good	The CCG has forecast delivery of the finance targets for 2015/16. Only Q1 data available.	TBA	TBA	
	5	Consistency of reporting with ledgers and NHSE submissions	Reports reconcile to ledger with reconciling items fully documented and signed off by Chief Financial Officer. Non-ISFE submissions agree to board reports and are in compliance with NHS England guidelines including Aosh.	Reports reconcile to ledger with reconciling items documented and major items signed off by Chief Financial Officer. Non-ISFE submissions agree to board reports and are substantially in compliance with NHS England guidelines.	Reports don't fully reconcile to ledger with only some items documented. Evidence of sign off by Chief Financial Officer. Non-ISFE submissions normally agree to board reports and are mostly in compliance with NHS England guidelines.	Reports don't reconcile to ledger with no evidence of sign off by Chief Financial Officer. Non-ISFE submissions don't routinely agree to board reports and are not in compliance with NHS England guidelines.	Excellent	All reports produced by CCG reflect ledger and Non-ISFE submissions are compliant with guidelines issued by NHS England.	None identified	N/A	
	6	Financial reporting	Comprehensiveness and use as control mechanism	Financial reports provide detailed information of actual and budgeted spend on all areas of expenditure. Standard and customised ISFE reports used. Variances from budget and forecast outcome reviewed monthly with budget holders identifying actions to achieve agreed outcome. QIPP performance monitored at least monthly at individual initiative level with figures reconciling to I&E performance. Non-financial indicators used extensively to inform QIPP and overall financial performance.	Financial reports provide detailed information of actual and budgeted spend on key areas of expenditure. Standard and customised ISFE reports used. Identifying actions to achieve agreed outcome with major areas of concern reviewed monthly. High confidence that agreed actions will resolve variances. QIPP performance monitored monthly at individual initiative level with figures reconciling to I&E performance. Non-financial indicators used to inform QIPP and overall financial performance.	Financial reports provide detailed information of actual and budgeted spend on key areas of expenditure but with some issues on timeliness or quality. Standard and customised ISFE reports used but significant use of off-ledger reporting. Variances from budget and forecast outcome reviewed with budget holders identifying actions to achieve agreed outcome with major areas of concern reviewed monthly with moderate confidence that the actions will resolve variances. QIPP performance monitored monthly for key individual initiatives with figures reconciling to I&E performance. All initiatives reviewed at least quarterly. Non-financial indicators used in some cases to inform QIPP and overall financial performance but with further scope.	Financial reports don't provide timely and accurate information of actual and budgeted spend on key areas of expenditure. Standard and customised ISFE reports used but significant use of off-ledger reporting that isn't reconciled to the ledger. Variances from budget and forecast outcome not routinely and systematically reviewed with budget holders. Limited actions identified and agreed to achieve outcome. Low confidence that variances will be resolved or offset. QIPP performance not monitored monthly at individual initiative level. Figures don't reconcile to I&E performance. Non-financial indicators used infrequently to inform QIPP and overall financial performance.	Good	Reports are based on standard and customised ISFE reports and give detailed information. Variances are reviewed regularly and actions agreed. QIPP is integral to the SLAs agreed with providers, so monitored via regular contract meetings.	TBA	TBA
	7	Sufficiency of board reporting to manage overall financial position	Reporting provides very clear explanation of current and forecast position and underlying run rate, including corrective actions and full risk analysis. I&E, cash and balance sheet all covered with integration with key non-financial measures including activity. Format formally & regularly reviewed by appropriate committee.	Reporting provides good explanation of current and forecast position including corrective actions and risk analysis for key risks. I&E, cash and balance sheet all covered with integration with key non-financial measures including activity. Format reviewed by appropriate committee as need identified.	Reporting provides some explanation of current and forecast position including some corrective actions and risk analysis for key risks but reports could be better. Cash and balance sheet partially covered with limited integration with key non-financial measures including activity. Format reviewed from time to time but not approved by appropriate committee.	Reporting provides limited explanation of current and forecast position. Corrective actions and risk analysis difficult to understand and not comprehensive. Cash and balance sheet only partially covered. Very limited integration with key non-financial measures. Format not reviewed in last year.	Moderate	Reporting provides good explanation, but does not include full I&E, cash and balance sheet. Format is reviewed periodically, for approval by appropriate committee.	Currently reviewing I&E and balance sheet (including cash) reporting for Q2 reporting cycle. Finance have worked up a SoCNE and SoFP model, with supporting notes 2 and 5, that can be run through month end, based on the year end template. This will be incorporated into the Management Accounts month end cycle as a further proof that review is robust and to help	14/10/2015	
8	Standing orders, SFEs and delegated authorities	Standing Orders, standing financial instructions and delegated authorities regularly reviewed and approved. Clear guidance documents in place for relevant aspects such as procurement and recruitment. All staff trained on financial governance and training documented. Delegated authorities built into ISFE with complete hierarchies.	Standing Orders, standing financial instructions and delegated authorities regularly reviewed and approved. Guidance documents in place for relevant aspects such as procurement and recruitment. Key staff trained on financial governance. Delegated authorities built into ISFE with substantially complete hierarchies or well documented and approved working arrangements for exceptions.	Standing Orders, standing financial instructions and delegated authorities reviewed and approved in the past 12 months but no timetable for future reviews. Guidance documents in place for relevant aspects such as procurement and recruitment. Some evidence of staff training on financial governance but more needed. Delegated authorities built into ISFE but with incomplete or out of date hierarchies. Adequate working arrangements in place but not fully documented.	Standing Orders, standing financial instructions and delegated authorities not reviewed and approved in the past 12 months. No timetable for future reviews. Limited or no guidance documents for relevant aspects such as procurement and recruitment. Limited or no staff training provided and if delivered it is on an ad hoc basis. Delegated authorities built into ISFE but with incomplete or out of date hierarchies. Working arrangements to operate ISFE inadequate and not documented.	Excellent	SFEs reviewed and approved, with documents in place where necessary. All staff must complete a mandatory Finance Governance Assurance Module every two years. ISFE limits and hierarchies reflect CCG delegated authorities.	None identified	N/A		

Financial controls & processes	9	Budget setting, monitoring and forecasting and key area cost control	Draft budgets prepared by fully trained budget holders with guidance on assumptions including growth, efficiencies and inflation provided by CFO. Budget holders take budget management responsibilities seriously. Budgets include the impact of QPP and are phased in line with activity or other primary cost driver. Reserves and contingencies transparent and phased appropriately. Budgets formally accepted by budget holders by start of financial year and any budget adjustments clearly documented and agreed. Budget viement process clear with high level sign off of major changes. All areas of expenditure budgeted at sufficiently detailed level to facilitate understanding of actual performance and enable control.	Budgets prepared by budget holders with guidance on assumptions including growth, efficiencies and inflation provided by CFO. Majority of budget holders take budget management responsibilities seriously. Budgets including QPP phased in line with activity or primary cost driver. Reserves and contingencies transparent and phased appropriately. Budgets formally accepted by budget holders by end of April and any budget adjustments clearly documented and agreed. Budget viement process documented with clear system of sign off of major changes. Key areas of expenditure budgeted at sufficiently detailed level to facilitate understanding of actual performance and enable control.	Budgets largely prepared by budget holders with some guidance on assumptions including growth, efficiencies and inflation provided by CFO. Some budget holders reported to achieve overall surplus. Some budget holders not taking responsibilities seriously. Most expenditure and QPP budgets phased in line with activity or primary cost driver but some key lines phased in straight line. Reserves and contingencies not as transparent as they should be to the governing body. Budgets not formally accepted by budget holders and adjustments not always clearly documented and agreed. Budget viement process working but without documented or appropriate sign off of changes. Key areas of expenditure budgeted at reasonably detailed level to facilitate understanding of actual performance and enable control but some evidence of off ledger record keeping.	Budgets largely prepared by finance with limited consultation with budget holders. Limited evidence of budget holders taking their responsibilities seriously. Poor or no guidance on assumptions including growth, efficiencies and inflation. Expenditure budgets not phased in line with activity or primary cost driver. Reserves and contingencies not transparent and if exist are hidden in budget lines or phasing. Budgets not formally accepted by budget holders and adjustments not documented and agreed. Budget viement process ad hoc without documented or appropriate sign off. Key areas of expenditure not budgeted at a detailed level so understanding of actual performance difficult. Substantial off-ledger record keeping.	Good	Budgets prepared by stronger monitors, with guidance on assumptions including growth, efficiencies and inflation provided by CFO. Budget holders have received financial training and take budget management responsibilities seriously, but we are looking to increase active involvement and ownership further. Budgets include the impact of QPP and are phased in line with activity or other primary cost driver. Reserves and contingencies transparent and phased appropriately. Budgets formally accepted by budget holders by start of financial year and any budget adjustments clearly documented and agreed. Budget viement process clear with high level sign off of major changes. All areas of expenditure budgeted at sufficiently detailed level to facilitate understanding of actual performance and enable control.	TBA	TBA
	10	Systems of financial control	Balance sheet reviewed and signed off every month with full reconciliations especially for accruals, provisions and prepayments. Agreement of balance returns reconcile to ledger and completed on time. Differences with providers and other NHS bodies actively resolved. Supplier statements for all non-NHS providers routinely reconciled and no major issues. Ledger and other systems with financial impact subject to active access and posting control in line with delegated authorities. Cash forecast and drawdown requirements signed off. Cash at bank minimised with only occasional overdraft or supplementary drawdown requests.	Balance sheet reviewed every month with full reconciliations for key accounts and minimum quarterly reconciliations for remaining accounts. Agreement of balance returns reconcile to ledger and completed on time. Major differences with providers and other NHS bodies actively resolved. Supplier statements for key non-NHS providers routinely reconciled and no major issues. Ledger and other systems with financial impact subject to active access and posting control in line with delegated authorities. Cash forecast and drawdown requirements signed off. Cash at bank minimised with only occasional overdraft or supplementary drawdown requests.	Balance sheet reviewed most months with full reconciliations for key accounts and minimum quarterly reconciliations for remaining accounts. Some reconciliations incomplete. Agreement of balance returns reconcile to ledger and completed on time - major differences with providers and other NHS bodies being resolved but some historical and unresolved issues. Supplier statements for non-NHS providers routinely reconciled when issues arise with supplier. Ledger and other systems with financial impact subject to active access and posting control in line with delegated authorities. Some outstanding issues. Cash forecast and drawdown requirements signed off. Overall low cash balances at bank with occasional overdraft or high cash balances.	Balance sheet reviewed irregularly by CFO. Incomplete reconciliations for key accounts with items on control accounts unresolved for long periods. Agreement of balance returns don't reconcile to ledger and not completed on time. Major differences with providers and other NHS bodies not being resolved. Supplier statements for non-NHS providers not reconciled with frequent issues with suppliers. Ledger and other systems with financial impact not subject to active access and posting control in line with delegated authorities. Cash forecast and drawdown requirements not signed off. Poor cash forecasting and high variability in month end cash balance.	Excellent	Balance sheet reviewed fully each month via control accounts. AOB returns reconciled to ledger and completed on time. Major differences followed up with relevant bodies. Supplier statements reviewed when received, though these mainly go straight to NHS SBS. Controls in place on ledger in line with delegated authorities. Cash managed appropriately, with no overdrafts and no supplementary drawdown requests required.	We will continue to work through AOB, maximising the number of differences followed up, but these depend on the number of differences. It would be helpful if a central team could look at ways to streamline and improve the continual differences that arise from Slough CCG and the complexities of different areas within NHS England itself.	Ongoing
	11	Systems & processes (including internal audit response)	Robust system of controls exists including segregation of duties & control account and other balance sheet reconciliations. Journals fully documented and approved by appropriate level supervisor. Accounts payable and receivable regularly reviewed with minimal overdue debts or delayed payments to creditors. All processes documented with clear responsibilities for delivery and review. No internal audit category 1 findings and recommendations and all lower level recommendations implemented on time and in full. Unqualified external audit report.	Robust system of controls exists. Segregation of duties, control account and other balance sheet reconciliations almost 100% in place with only minor exceptions. Journals fully documented and approved by appropriate level supervisor. Accounts payable and receivable regularly reviewed with minimal overdue debts or delayed payments to creditors. Key processes documented with clear responsibilities for delivery and review. No more than one internal audit category 1 finding and recommendation in last year. Remaining lower level recommendations implemented on time and in full. Unqualified external audit report.	Robust system of controls exists with some minor issues. Segregation of duties, control account and other balance sheet reconciliations substantially in place with only minor exceptions. Journals well documented and approved by appropriate level supervisor. Accounts payable and receivable regularly reviewed with minimal overdue debts and/or delayed payments to creditors. Key processes documented with clear responsibilities for delivery and review. No more than two internal audit category 1 findings and recommendations in last year. Remaining lower level recommendations implemented on time and in full. Unqualified external audit report.	System of control poorly documented with some major issues. Issues with segregation of duties, control accounts and other balance sheet reconciliations. Journals poorly documented and not generally approved by appropriate level supervisor. Accounts payable and receivable regularly reviewed and show significant overdue debts and/or delayed payments to creditors. Key processes not documented, clear responsibilities for delivery and review not clear. More than two internal audit category 1 findings and recommendations in last year and majority of lower level recommendations not implemented on time and in full. Unqualified external audit.	Excellent	Robust controls throughout, with appropriate segregation of duties and control accounts completed monthly. Accounts payable and receivables reviewed regularly. BPPC achievement reflects supplier payments made without undue delay. Internal audit identified no key control or operational practice findings that need to be addressed and the external audit report was unqualified.	None identified	N/A
	12	Risk sharing & income recognition	Where applicable, risk sharing arrangements with other CCGs and trusts fully documented and associated financial risks evaluated monthly. Total risk evaluated and CCG share agreed with other parties. All anticipated recharges have agreement. Where CCG receives income for the provision of services commissioned by other organisations financial controls are in place to ensure the CCG is not placed at any risk, and that all transactions and balances are separately identified. No income, expenditure or cash transactions that could be constituted to be brokerage or similar arrangement.	Where applicable, risk sharing arrangements with other CCGs and trusts documented and associated financial risks routinely evaluated. Sufficient information for CCG to assess and account for its own risk. Risk included in risk register and in risk adjusted position. All anticipated recharges have outline agreement or a process for getting agreement. Where CCG receives income for the provision of services commissioned by other organisations financial controls are in place to ensure the CCG has minimal risk, and that all transactions and balances can be identified. No income, expenditure or cash transactions that could be constituted to be brokerage or similar arrangement.	Where applicable, risk sharing arrangements with other CCGs and trusts documented sufficiently to evaluate associated financial risks. Risk assessed at least quarterly and included in risk register and in risk adjusted position. Majority of anticipated recharges have outline agreement or a process for getting agreement. Where CCG receives income for the provision of services commissioned by other organisations - financial controls need strengthening. CCG has moderate exposure to risk that it can't directly mitigate. Any income, expenditure or cash transactions that could be constituted as brokerage or similar are minimal, transparent arrangements and don't have a major impact on surplus.	Where applicable, risk sharing arrangements with other CCGs and trusts not documented sufficiently to evaluate associated financial risks. Majority of anticipated recharges don't have outline agreement or a process for getting agreement. CCG receives income for the provision of services commissioned by other organisations - poor financial controls. CCG has significant exposure to risk that it can't directly mitigate. Significant income has been received non-recurrently or invoices reduced in value on the basis that this will be reversed in future periods. Lack of transparency.	Excellent	All anticipated recharges have agreement. Where CCG receives income for the provision of services commissioned by other organisations financial controls are in place to ensure the CCG is not placed at any risk, and that all transactions and balances are separately identified. No income, expenditure or cash transactions that could be constituted to be brokerage or similar arrangement.	None identified	N/A
	13	Risk management	Pro-active horizon scanning process with risks assessed in terms of likelihood and financial impact. Clear responsibility of governing body or appointed committee. Clear documented process for identifying mitigations. Mitigations evaluated financially with early and effective stakeholder engagement. Tracking and reporting system in place with regular reporting to the appropriate committee. All risks on risk register financially assessed monthly.	Process for assessing risk well established with risks assessed in terms of likelihood and financial impact. Clear responsibility of governing body or appointed committee. Mitigations evaluated financially with stakeholder engagement. Tracking and reporting system in place with regular reporting to the appropriate committee. All risks on risk register financially assessed with major risks reviewed regularly.	Process for assessing risk reasonably well established with risks assessed in terms of likelihood and financial impact - some improvements needed. Unclear responsibilities for assessing and reporting. Responsibility of governing body or appointed committee clear. Risks sometimes overlooked. Mitigations evaluated financially with some stakeholder engagement. Tracking and reporting system in place with regular reporting to the appropriate committee. Key risks on risk register financially assessed but more in depth review required to fully evaluate.	Process for assessing risk ill defined - major improvements needed. Unclear responsibilities for assessing and reporting. Responsibility of governing body or appointed committee not clear. Mitigations evaluated financially with limited stakeholder engagement. Tracking and reporting system poor with irregular reporting to the appropriate committee. Key risks on risk register financially assessed but more in depth review required.	Good	The CCG does not, in general, pro-actively horizon scan. Process for assessing risk well established with risks assessed in terms of likelihood and financial impact. Clear responsibility of governing body or appointed committee. Mitigations evaluated financially with stakeholder engagement. Tracking and reporting system in place with regular reporting to the appropriate committee. All risks on risk register financially assessed with major risks reviewed regularly.	TBA	TBA
	14	Level of net risk	Fully quantified risk. All risks matched by fully worked and credible mitigations capable of deployment in-year, leaving a net opportunity.	Key risks fully quantified risk. Risks matched by mitigations leaving no net risk.	Majority of risks quantified but with some key risks under evaluation. Risks matched by mitigations leaving overall net risk within business rules.	Risks only partially quantified & only partially matched by under-developed mitigations leaving material net risk outside business rules.	Good	Key risks quantified. General mitigations rather than direct mitigations, with system managed as a whole.	TBA	TBA
	15	Core team	Fully staffed team with clear roles and responsibilities. All permanent roles filled, low staff turnover. Staff well trained and appropriately qualified, training & development taken seriously, CPD up to date for all applicable staff members. Where relevant, shared management team recognises the organisational boundaries and allows sufficient time to focus on the separate issues of each CCG.	Fully staffed team with clear roles and responsibilities with minimal use of interims. Low staff turnover. Staff well trained and appropriately qualified. Training and development taken seriously but some areas to address. Where relevant, shared management team recognises the organisational boundaries and allows time to focus on the separate issues of each CCG.	Clear roles and responsibilities with some use of interims but with firm plans to recruit substantively. Moderate staff turnover. Training & development seen as important but limited progress. Where relevant, shared management team usually recognises the organisational boundaries and allows some time to focus on the separate issues of each CCG.	Roles and responsibilities unclear with extensive use of interims - high staff turnover with CFO interim for more than 3 months. No firm plans to reduce reliance on interims. Staff not all qualified to perform roles. No training and development plan. Where relevant, shared management team does not always recognise the organisational boundaries and sometimes allows insufficient time to focus on the separate issues of each CCG.	Excellent	Fully staffed team with clear roles and responsibilities. Some use of interims for ad hoc, specific projects. Very low staff turnover. Staff well trained, with appropriate qualifications. Training and development taken seriously. CPD up to date where applicable.	None identified	N/A
	16	Commissioning support services (mark as N/A if no CSU support)	Signed contract with commissioning support service provider detailing all services to be delivered and related standards of performance. Excellent working partnership with roles and working arrangements clearly defined. Commissioning support service provider rated highly by the CCG, reports etc. delivered on time to a high standard, no unresolved formal disputes.	Signed contract with commissioning support service provider detailing all services to be delivered and related standards of performance. Good working partnership with roles and working arrangements defined. Commissioning support service provider rated highly by the CCG with majority of reports and other deliverables delivered on time to reasonable standard, no major unresolved formal disputes.	Signed contract with commissioning support service provider outlining all services, but detailed service specifications an/or standards of performance missing for some services. Good working partnership with roles and routine feedback reasonably defined but some clarification required. Commissioning support service provider rated moderate by the CCG with some key reports and other deliverables delivered late or incomplete. No major unresolved formal disputes but number of minor disputes or long running service issues.	Commissioning support service contract is missing detail of service provision in a significant number of areas. Poor working arrangements with roles and routine feedback not clearly defined. Commissioning support service provider rated moderate to poor by the CCG with some key reports and other deliverables often delivered late or incomplete. Major unresolved formal disputes.	Not applicable	No CSU support	N/A	N/A

17	Audit and other finance committees	Governing body ensures effective financial management	Committee structure well designed with clear roles and reporting for all finance related committees. Reviewed in last 12 months and fit for purpose. All committees chaired by a different suitably qualified non-executive or member of the governing body. Audit chair is a qualified accountant. Separate audit and financial committees. Training on responsibilities and processes provided to members to a high standard and documented. Committees meet as regularly as stipulated in terms of reference with agendas and decisions within the committee's remit. Constructive, focused and relevant challenges with timely and robust monitoring and follow up of actions. Committee chairs report to the governing body following each meeting and have an annual review of the committee's performance reported to the governing body.	Committee structure well designed with clear roles and reporting for finance related committees. Reviewed in last 12 months, fit for purpose and future reviews scheduled. Chaired by suitably qualified non-executive or member of the governing body. Audit chair is a qualified accountant or is supported by a suitably qualified lay member. Separate audit and financial committees. Training on responsibilities and processes provided to members where requested by Chair. Committees meet as regularly as stipulated in terms of reference with agendas and decisions within the remit. Some constructive, focused and relevant challenges, and actions followed up regularly. Committee chairs report to the governing body following each meeting and review the committee's performance at least once per year.	Committee structure established but some areas of overlap and gaps to be addressed. Not reviewed in last 12 months with no process for committee structure to respond to financial and operational challenges. Chaired by non-executive or member of the governing body with reasonable qualifications and/or experience. Audit and financial committees not separate. Training on responsibilities and processes provided to members on an ad hoc basis and needs strengthening. Committees plan to meet as regularly as stipulated in terms of reference but sometimes meeting cancelled. Agendas and decisions largely within the remit but some gaps and overlaps in work with other committees. Members provide some financial challenge but needs improvement. Committee chairs report to the governing body on an irregular basis and performance reviewed informally at least once per year.	Committee structure in need of redesign and not reviewed in last 12 months. No process for committee structure to be reviewed in response to financial and operational challenges. Audit chair not a qualified accountant and/or other chairs not suitably qualified or experienced. Audit and financial committees not separate. Training on responsibilities and processes not provided to members. Committees fail to meet as regularly as stipulated in terms of reference. Agendas and decisions not within the remit with major gaps and overlaps in work with other committees. Members as a group provide limited financial challenge with poor follow up of actions. Committee chairs report to the governing body on irregular basis and performance not reviewed formally or informally.	Good	Committee structure well designed, with clear roles and reporting. Audit and finance committees are not separate (Audit & Quality Committee only). Committees meet as regularly stipulated with agendas and decisions within their remit. Constructive, focused and relevant challenges with timely and robust monitoring and follow up of actions.	A paper went to the CCG's Governing Body reviewing the issue of a separate audit and finance committee. The decision was made to maintain solely the Audit & Quality Committee, with the Governing Body ensuring effective financial management.	N/A
		Audit Committee performance	Audit Committee ensures responsibilities for implementing recommendations are appropriately assigned and implemented within timescales agreed. Audit recommendations followed up as a standard item on agenda. Audit Committee receives and follows up all internal audit reports and approves internal audit plan. Chair meets with internal and external auditors without management present. Chair ensures that lay members are appropriately skilled and experienced. Audit Committee receives service auditor reports from commissioning support service providers and ensures overall control environment is of excellent quality with only minor issues. Audit Committee obtains direct evidence where appropriate and is not reliant on representations from senior management.	Audit Committee ensures responsibilities for implementing recommendations are appropriately assigned with timescales agreed with major items delivered on time. Audit recommendations followed up as a standard item. Audit Committee receives all internal audit reports and approves internal audit plan. Chair meets with internal and external auditors. Chair works actively to improve the skills and experience of lay members. Audit Committee receives service auditor reports from commissioning support service providers and ensures overall control environment is of a good quality. Audit Committee obtains direct evidence in key areas of concern to reduce reliance on representations from senior management.	Audit Committee ensures responsibilities for implementing recommendations are appropriately assigned with timescales agreed with majority of items delivered on time but with some exceptions to be addressed. Audit recommendations followed up as a standard item. Audit Committee receives all internal audit reports and approves internal audit plan. Chair may be considering working more actively to improve the skills and experience of lay members. Control environment is of a good quality but with some areas of concern which Audit Committee needs to address. Audit Committee may often rely on representations from senior management.	Audit Committee does not ensure responsibilities for implementing recommendations are appropriately assigned with timescales agreed. Audit recommendations not followed up as a standard item. Audit Committee does not receive all internal audit reports and/or approve internal audit plan. Skills and experience of lay members not sufficient to fulfil role. Control environment is considered to be poor quality with significant areas of concern. Audit Committee usually relies on representations from senior management and rarely seeks direct evidence.		Excellent	Audit & Quality Committee ensures responsibilities for implementing recommendations are appropriately assigned and implemented within timescales agreed. Audit recommendations followed up as a standard item on agenda. Audit & Quality Committee receives and follows up all internal audit reports and approves internal audit plan. Chair meets with internal and external auditors without management present. Chair ensures that lay members are appropriately skilled and experienced. Audit & Quality Committee receives service auditor reports from commissioning support service providers and ensures overall control environment is of excellent quality with only minor issues. Audit & Quality Committee obtains direct evidence where appropriate and is not reliant on representations from senior management.	None identified

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	Area of consideration	Sub-area	Self-assessment	
Financial performance	1	Longer term planning	Moderate	
	2	Detailed financial planning	Credibility and degree of stretch	Good
	3		Alignment with activity and provider contracts	Excellent
	4	In year financial performance		Good
	5	Financial reporting	Consistency of reporting with ledgers and NHSE submissions	Excellent
	6		Comprehensiveness and use as control mechanism	Good
	7		Sufficiency of board reporting to manage overall financial position	Moderate
Financial controls & processes	8	Systems of financial control	Standing orders, SFIs and delegated authorities	Excellent
	9		Budget setting, monitoring and forecasting and key area cost control	Good
	10		Balance sheet including intercompany balances (AoB) & cash	Excellent
	11		Systems & processes (including internal audit response)	Excellent
	12		Risk sharing & income recognition	Excellent
	13	Risk management	Identification and monitoring process	Good
	14		Level of net risk	Good
		15	Finance team capability and capacity including support services	Core team
16		Commissioning support services (mark as N/a if no CSU support)		Not applicable
17		Audit and other finance committees	Governing body ensures effective financial management	Good
18			Audit Committee performance	Excellent