

Financial Control Environment Assessment Guidance & FAQs

Checklist completion and sign off

It is expected that the checklist will be completed by senior members of the CCG with sufficient knowledge and experience of the governance of the CCG to respond appropriately. The Accountable Officer should oversee the process and is responsible for obtaining the sign off from the Audit Committee and Governing Body as per the letter from Paul Baumann. If a draft assessment is submitted it is expected that as a minimum the Accountable Officer will have reviewed it.

Completion guidance

The assessment checklist is an excel spreadsheet with all the cells protected except for those that are to be completed by CCGs.

Could you please save and submit any versions of your assessment using the following naming convention:

CCGCODE- CCGNAME – Financial_Assessment_DATE

The CCG code is your 3 digit code and could you please put in the date as well to help identify the right version.

There are 4 cells to record the CCG name, author and approval history in column G.

The CCG is asked to consider each of the 18 areas - covering financial performance, controls and governance – and to judge which description best fits the current position of the CCG. It is not necessary to satisfy every element of the description in each box to assess your CCG as meeting that level but more important to consider your overall performance and be satisfied that your CCG broadly fits the description in the box. In the event of doubt we would encourage you to err on the side of caution and go for the lower status category.

To select a category please choose the option from the drop down menu in column J. This will record the current status you have chosen and highlight the relevant box. There is a summary worksheet which shows on one page your assessment in each area.

We encourage CCGs to use columns K to M to note down the main reasons for the selection and to outline the key actions required to improve the governance and controls including the date for actions to be complete where possible.

The process for completing the assessment is down to CCGs and regional geographies to determine, and your regional colleagues will discuss this with you. It is important that a copy is sent to NHS England once a version has been approved. Your regional colleagues will inform you who to send it to. The assessments of all CCGs will be collated nationally to help identify any common areas of strength/weakness in order to inform the development of the financial resilience toolkit.

If you have any queries on the completion of the assessment please contact Neil Blakeman on neil.blakeman@nhs.net.

FAQ

Question	Response
Will NHS England be assessing itself for areas of direct commissioning?	Yes – a separate assessment checklist is being developed based on the CCG version to a similar timescale
Will the exercise be repeated?	There are no plans to repeat the exercise and the process will be reviewed post –completion. It is expected that some form of self-assessment is part of the overall toolkit and CCGs will be encouraged to utilise the toolkit and will link to the CCG assurance process. CCGs with significant areas for improvement may be requested to revisit the assessment once remedial actions have been implemented.
When will the toolkit mentioned in the letter be available?	The Financial Resilience Working group is working on the overall toolkit and will release a draft menu of support before the end of August. The items on the menu will be released over the autumn. Please e-mail any suggestions for content to neil.blakeman@nhs.net
Is the assessment mandatory?	All CCGs are expected to complete the assessment and take actions to remedy any shortcomings. If a CCG has any concerns about the completion of the exercise we would expect this to be discussed with the DCO as soon as possible.
What will happen if we highlight a number of areas where improvement is needed – are there consequences?	The assessment is essentially a tool for use by the CCG. NHS England will want to review with CCGs how they can support the CCG to address these areas.
How does this exercise link with CCG Assurance?	The assessment categories are closely aligned with those in the 2015/16 assurance framework.
How do we decide which category to select if we don't fit all the descriptions in any box?	The boxes have a number of areas and the CCG should select the description that best fits with where the CCG is. You do not have to meet all the elements but the box should generally reflect your position. In the event of doubt we would encourage you to err on the side of caution and select the lower status category
Why can't we use objective quantitative metrics to make an assessment?	The review of five CCGs that underperformed against plan showed that the reported metrics were slow in flagging up a problem. We are reviewing all the financial metrics used in monthly reporting, planning, deep dives and CCG assurance to make sure we use those that

	identify real issues as early as possible.
What about broader governance as this has an impact on financial resilience?	We are conscious that broader corporate governance is covered in the CCG Assurance process and are therefore focussing this assessment primarily on specific finance related areas.
What if my local providers are all in deficit and/or I am in a challenged health economy?	This assessment is focused on CCG financial controls and governance and the external environment should only have an impact if the CCG is not set up to identify and where possible mitigate these risks. The assessment should identify the extent to which the CCG can identify risks and is flexible enough to react quickly and effectively.
How do we assess the credibility of a plan if we had to amend to meet NHS England targets	This should be an honest assessment and if there is a high risk that the plan is not achievable your assessment should reflect this.
Does the assessment need internal and external audit opinion?	We suggest that it be discussed with internal audit but our view is that a review by external audit is not required.
What will happen to the output?	The key part of the process is the local assessment and action plan. It is important that the output is shared with your local regional office to access support if appropriate. The output will be collated nationally to identify any particular focusses for improvement across the country in order to inform the development work for the toolkit. There will not be a national league table.
<i>Specific questions on checklist (reference to line number)</i>	
2. Do QIPP plans have to be stretching to be excellent	Ideally both stretching and achievable but the quality and achievability of the plan is the key factor in assessing plan credibility and stretch.
5. Do reconciliations between ledger and reports have to be formally signed off?	In effect this means there has to be a defined process by which the ledger and reports are reconciled and that this is reviewed monthly by the CFO or suitably qualified member of the team.
6. Do variances have to be reviewed monthly to be classed as excellent if info is not available to these timescales	If budget variances are reviewed when data is available this would be sufficient. Major variances should be reviewed at least monthly though.
15. In small teams one member of staff leaving could be high turnover.	Use judgement as to the reasons for and impact of any turnover. A couple of well-planned departures with good handover and replacement should not be viewed adversely.
18. The HfMA Audit Committee handbook has a good checklist – shouldn't this be used?	We would encourage the use of the HfMA checklist to assist in completing the assessment.

It has not been included specifically in the document for space reasons and has a broader scope than the financial governance that is the focus of this assessment.