

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

Date of the meeting	22/05/2019
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 2019.
Recommendation	The Governing Body is asked to approve the Financial Statements for the year ended 31 March 2019.
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 2019, 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 Social Care, 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 2019, with NHS Dorset CCG meeting its target surplus of £1.734m for 2018-19.

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	1,252,827	1,217,508
Capital resource use does not exceed the amount specified in the Directions	560	560
Revenue resource use does not exceed the amount specified in Directions	1,242,035	1,206,716
Revenue administration resource use does not exceed the amount specified in Directions	16,968	16,151

2.3.2 Better payment practice code

Measure of Compliance	2018-19	
	Number	£000
Non-NHS Payables		
Total Non-NHS trade invoices paid in the year	27,820	292,978
Total Non-NHS trade invoices paid within target	<u>27,457</u>	<u>291,471</u>
Percentage of Non-NHS trade invoices paid within target	98.7%	99.5%
NHS Payables		
Total NHS trade invoices paid in the year	4,081	791,269
Total NHS trade invoices paid within target	<u>4,039</u>	<u>791,507</u>
Percentage of NHS trade invoices paid within target	99.0%	100.0%

2.4 Critical Accounting Judgements

2.4.1 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.

2.5 Going Concern and Fraud Checklists

2.5.1 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.

2.5.2 A review has also been completed of fraud risk, and this is included at Appendix 3.

2.5.3 Management responses to the auditors are shown in Appendix 4.

2.6 Dorset NHS system collective financial performance

2.6.1 2018-19 was the first year in which the Dorset NHS system entered into a combined full system target as set by NHS regulators, a deficit of £19,078m.

2.6.2 The target was not met, as NHS Improvement offered individual foundation trusts 2 for 1 funding, whereby they would receive £2 for every £1 increase on their individual targeted surplus or deficit.

2.6.3 Overall, despite more funding coming into the Dorset NHS system, as this did not count towards the system target the system is deemed as not achieving the set deficit.

3 Conclusion

- 3.1 The Governing Body is requested to approve the financial statements.
- 3.2 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 : 17 May 2019
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APPENDICES	
Appendix 1	Financial Statements for the year ended 31 March 2019
Appendix 2	Going Concern Checklist prepared by management
Appendix 3	Fraud Checklist prepared by management
Appendix 4	Responses from Management