

**NHS DORSET CLINICAL COMMISSIONING GROUP
GOVERNING BODY SPECIAL MEETING
INDEPENDENT SERVICE AUDITOR REPORTS**

Date of the meeting	22/05/2019
Author	A Gladwell, Head of Financial Accounts
Purpose of Report	NHS Dorset CCG relies on a number of third parties for aspects of its financial environment. These are subject to independent service auditor review and the reports subsequently produced have been reviewed by the CCG's Finance Department.
Recommendation	The Governing Body is asked to note this report on the independent service auditor reports received by the CCG.
Stakeholder Engagement	Audit Committee, CCG management, internal audit, external audit, CCG staff
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 NHS Dorset CCG relies on a number of systems and process administered by third parties. These are subject to independent service audits, to report on the effectiveness of controls.

2. Background

- 2.1 As with many other public and private sector entities, NHS Dorset CCG relies on service organisations to carry out services on its behalf and these often impact on internal controls. These services may be specific tasks or entire business functions.
- 2.2 The CCG, therefore, needs assurance that control procedures at service organisations complement those operated by the CCG itself. This assurance can be gained through reports on internal controls prepared by a reporting accountant engaged by the service organisation that can then be shared with its customers.
- 2.3 The objective is to provide assurance in a cost effective manner by reducing duplication that would otherwise arise if each customer's own internal and external auditors separately assessed controls.
- 2.4 Reports are prepared in accordance with International Standards on Assurance Engagements (ISAE) 3000 and 3402:
- ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information
 - ISAE 3402 – Assurance reports on controls at a service organization
- 2.5 The CCG has received reports for the following organisations and areas, each completed by either PricewaterhouseCoopers LLP (PwC) or KPMG LLP (KPMG):

Organisation	Auditor	Service Area
NHS SBS	PwC	Finance & Accounting
NHS BSA	KPMG	<ul style="list-style-type: none"> • Dental Payments Process • Prescription Payments Process
Capita Business Services Ltd	PwC	Primary Care Support England (Interim)
NHS Digital	PwC	GP Payments
NHS ESR	PwC	Electronic Staff Record Programme

- 2.6 Other than for Capita, the reports have given the CCG, as well as our own auditors, assurance over processes for each of the respective service organisations.

- 2.7 The Capita report continues to receive a qualified opinion, which had been anticipated. The issues identified were therefore subject to substantive testing of transactions by the CCG's external auditors as part of their audit plan to ensure the veracity of the figures reported by the CCG.
- 2.8 Service auditor reports are provided in strict confidence. Relevant details are available on request through Finance and are not to be shared except where required by law or regulation.
- 2.9 At the date of reporting, the CCG has not received a copy of the final Capita service auditor report for 2018/19.

3. Conclusion

- 3.1 The Governing Body is asked to **note** this report.

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