

**NHS DORSET CLINICAL COMMISSIONING GROUP**  
**GOVERNING BODY SPECIAL MEETING**  
**INDEPENDENT SERVICE AUDITOR REPORTS (INTERNATIONAL STANDARDS**  
**ON ASSURANCE ENGAGEMENTS (ISAE) 3402 REPORT 2019/2020)**

<b>Date of the meeting</b>	17/06/2020
<b>Author</b>	A Gladwell, Head of Financial Accounts
<b>Purpose of Report</b>	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.
<b>Recommendation</b>	The Governing Body is asked to <b>note</b> the report on the independent service auditor reports received by the CCG.
<b>Stakeholder Engagement</b>	Audit Committee, CCG management, internal audit, external audit, CCG staff
<b>Previous GB / Committee/s, Dates</b>	N/A

**Monitoring and Assurance Summary**

<b>This report links to the following Strategic Objectives</b>	<ul style="list-style-type: none"> <li>Leading and Working Differently</li> </ul>		
	<b>Yes</b> [e.g. ✓]	<b>Any action required?</b>	
		<b>Yes</b> Detail in report	<b>No</b>
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	✓		✓
<b>I confirm that I have considered the implications of this report on each of the matters above, as indicated</b>	✓		

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 organisation
- 2.5 The CCG has received reports for the following organisations and areas, all this year completed by PricewaterhouseCoopers LLP:

Organisation	Service Area	Qualified / Unqualified
NHS SBS	Finance & Accounting	Qualified
NHS BSA	<ul style="list-style-type: none"> <li>• Dental Payments Process</li> <li>• Prescription Payments Process</li> </ul>	Unqualified Unqualified
NHS Digital	GP Payments	Qualified
NHS ESR	Electronic Staff Record Programme	Unqualified

- 2.6 The report in relation to primary care support provision by Capita Business Services Ltd is not yet available. NHS England have stated this is due 19 June 2020.

- 2.7 In previous years the Capita report has received a qualified opinion, which is anticipated again for 2019/20. The issues previously identified resulted in additional 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 The NHS SBS Finance & Accounting report is qualified due to Covid-19 lockdown in India preventing the auditors obtaining sufficient evidence for certain controls for February and March 2020. We do not believe that the risk identified in the service auditor report is high, as the controls in question were demonstrated to work as designed for the remainder of the year and these areas are also monitored closely within the CCG, with no matters raised:
- Error and exception reporting;
  - Payment accuracy;
  - Sales ledger transaction processing;
  - Bank and cash processing;
  - Transaction reconciliation;
  - Third party payovers;
  - Chart of account requests;
  - VAT transactions.
- 2.9 The NHS Digital GP Payments report is qualified due to system changes without evidence of the appropriate approval. The report does confirm controls were working as expected for payment calculation, access to systems and assurance data was accurate and complete. We do not believe that the risk identified in the service auditor report is high, as the impact of the system changes will be covered by other controls in place.
- 2.10 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.

### **3. Conclusion**

- 3.1 The Governing Body is asked to note the report.

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