



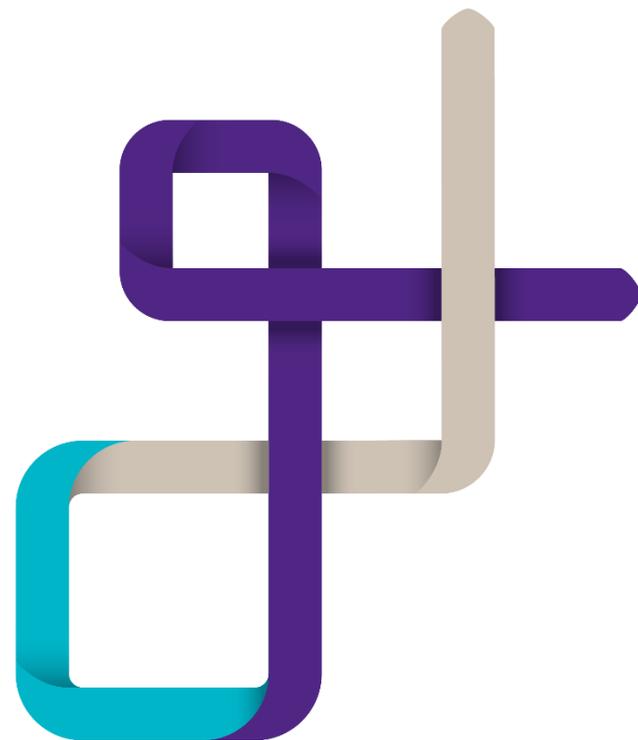
# Report on the Mental Health Investment Standard Compliance Statement

*Year ending 31 March 2019*

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NHS Wigan Borough Clinical Commissioning Group

8 July 2020



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Your key Grant Thornton team members are:

**Andrew Smith**

Key Audit Partner

T: 0161 953 6472

E: [Andrew.J.Smith@uk.gt.com](mailto:Andrew.J.Smith@uk.gt.com)

**Simon Hardman**

Audit Manager

T: 0161 234 6379

E: [Simon.Hardman@uk.gt.com](mailto:Simon.Hardman@uk.gt.com)

**Fay Hutchinson**

Audit In-Charge

T: 0161 953 6954

E: [Fay.A.Hutchinson@uk.gt.com](mailto:Fay.A.Hutchinson@uk.gt.com)

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The contents of this report relate only to those matters which came to our attention during the conduct of our engagement procedures which are designed for the purpose of expressing our conclusion on the CCG's MHIS Compliance Statement. Our procedures were directed to those matters which, in our view, materially affect the Compliance Statement and were not directed to the discovery of errors or misstatements that we consider to be immaterial. Our procedures were not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all misstatements, fraud or errors that might exist, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# Headlines

## The Mental Health Investment Standard Compliance Statement

NHS England (NHSE) has committed to invest in mental health, with increased funds provided for mental health services every year since 2010. For 2018/19 NHSE set all CCGs a key measure, the Mental Health Investment Standard (MHIS), to monitor the achievement of their increased investment, developing a MHIS Compliance Statement which clearly states whether the CCG has achieved its MHIS. NHSE also requires CCG's to obtain independent assurance on this 2018/19 Compliance Statement by local CCG auditors.

The MHIS Compliance Statement is a statement to the public from NHS commissioners of healthcare stating whether the commissioner has met the MHIS. The "Refreshing NHS Plans for 2018/19" guidance issued by NHS England and NHS Improvement requires that each CCG must meet the MHIS by increasing their investment in mental health in 2018/19 at a faster rate than their overall published programme funding.

CCGs are required to publish their Compliance Statement, which states whether the CCG has, or has not, met the MHIS, in a prominent position on their website alongside an independent reporting accountant's assurance report on this Compliance Statement. This assurance report does not relieve management or those charged with governance of their responsibilities for the preparation of the Compliance Statement.

## Purpose of this report

This report summarises the results of our independent reporting accountant's assurance engagement on your MHIS Compliance Statement in line with the terms of our engagement set out in our engagement letter dated 5 September 2019. It is issued in conjunction with our signed reasonable assurance report, which is published alongside the CCG's Compliance Statement and enables the Governing Body to demonstrate that they have discharged their governance responsibilities by commissioning an independent, appropriately qualified reporting accountant to carry out a 'reasonable assurance review'.

In performing this work, we followed the Assurance Engagement of the Mental Health Investment Standard - Briefing for Clinical Commissioning Groups (the "Guidance") issued by NHS England.

The output from our work is a conclusion that states whether the CCG's MHIS Compliance Statement is properly prepared, in all material respects, in line with the criteria set out in the Guidance.

## Our approach to materiality

The concept of materiality is fundamental to the reasonable assurance process and our consideration of the monetary misstatements in the expenditure figures on which the CCG's MHIS Compliance Statement is based. We have set out in the table below our determination of materiality for this engagement.

Materiality	£000	Qualitative factors considered
Overall materiality	1,115	We have considered the impact of non-trivial errors on the CCG's MHIS Compliance Statement
Triviality	56	

## Conclusion

The CCG's draft Compliance Statement stated:

*"NHS Wigan Borough CCG considers that it has complied with the requirements of the mental health investment standard for 2018/19"*

Our work on your MHIS Compliance Statement is substantially complete although we need to obtain a letter of representation from management

Subject to this, we are proposing to issue an unqualified opinion on your MHIS Compliance Statement. The text of our proposed reasonable assurance report can be found at Appendix C.

In all material respects, your Mental Health Investment Standard Compliance Statement for 2018/19 has been properly prepared, in all material respects, in accordance with the Criteria set out in line with the requirements of the Guidance. However, we identified a number of non-trivial errors in the CCG's expenditure summary on which the Compliance Statement was based. These are set out in Appendix A.

## Acknowledgements

We would like to thank CCG staff for their co-operation in completing this engagement.

# Compliance with the criteria

We applied audit procedures to confirm that the MHIS Compliance Statement (the 'Statement') had been properly prepared in all material respects in line with the criteria set out in the Guidance.

Requirement	Work performed	Conclusion
<b>Compliance with the criteria</b>	<p>We have undertaken the following procedures:</p> <ul style="list-style-type: none"> <li>• Ascertained the method of compilation of the Statement and the headline calculations on which it is based;</li> <li>• Considered the internal controls applied by the CCG over the preparation of the Statement and the headline calculations, and evaluated the design of those controls relevant to the engagement to determine whether they had been implemented;</li> <li>• Identified and assessed the risks of material misstatement in the Statement as a basis for designing and performing procedures to respond to the assessed risks;</li> <li>• Verified the percentage increase spending on mental health in 2018/19 included in the headline calculations;</li> <li>• Verified the percentage increase in the CCG's allocation included in the headline calculations and checked that it was the same as the published CCG allocations;</li> <li>• Carried out testing on the mental health expenditure included in the headline calculations to check whether it met the definition of mental health expenditure properly incurred, as set out in the Guidance; and</li> <li>• Examined the records of the CCG, performing such procedures on a sample basis so as to obtain information and explanations which we considered necessary having regard to the Guidance.</li> </ul> <p>The scope of our testing was the MHIS performance and mental health expenditure included in the headline calculation only and did not cover the reporting of spend against individual service lines or the degree of provider triangulation. We applied sample testing to:</p> <ul style="list-style-type: none"> <li>• The 2017/18 mental health expenditure used by the CCG in the headline calculations; and</li> <li>• The 2018/19 mental health expenditure used by the CCG in the headline calculations.</li> </ul>	<p>Based on the results of our procedures, we confirm that for the year ended 31 March 2019, the MHIS Compliance Statement has been properly prepared in all material respects in line with the criteria set out in the Guidance.</p> <p>A full list of all the non-trivial errors we identified from our work are set out in Appendix A.</p>

# Fees

## Fees for our work on the MHIS Compliance Statement

We confirm below our final fees charged for this work excluding VAT.

Area	Proposed fee	Final fee
Assurance on your MHIS Compliance Statement	£10,000	£10,000

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

# Misstatements in expenditure

The Assurance Engagement of the Mental Health Investment Standard - Briefing for Clinical Commissioning Groups guidance issued by NHS England and NHS Improvement (the "Guidance") states that, for the purposes of the MHIS, eligible mental health expenditure is expenditure on mental health correctly reflected in the financial ledger for the financial year (under the normal financial reporting requirements) which is consistent with the definitions used for programme budgeting. The Guidance states that the 2017/18 detail should be obtained from the 2018/19 planning template (final submission) and the 2018/19 detail should be obtained from the final non-ISFE submission for that year.

The CCG prepared its Expenditure Summary for 2017/18 and 2018/19 for the purposes of calculating its increase in MHIS expenditure in 2018/19 and the format of its MHIS Compliance Statement. The figures included in this Expenditure Summary were not the same as those included in the submissions to NHS England, primarily, due to the fact that the prescribing figure included in the non-ISFE submission were based on the prior year's Programme Budgeting spreadsheet provided by NHSE.

All non-trivial misstatements in the Expenditure Summary which we identified during our testing are set out in detail below, together with the overall impact on the CCG's MHIS expenditure for each financial year.

Detail	2017/18 Expenditure Statement £'000	2018/19 Expenditure Statement £'000	CCG Explanation
Prescribing – correcting from programme budgeting to actual	(67)	-	This is an accurate outcome but the CCG was not aware in 17/18 of any guidance on how to calculate the prescribing figure so used the best option available. We noted that the CCG have since rectified this working. The impact increases our comparative investment in 18/19.
Cut off error – expenditure included in 18-19 which related to 17-18. The misstatement figure is based on the extrapolation of one error identified in our sample testing.	78	(78)	The CCG included this value in 18/19 as it's a genuine missed accrual at year-end 17/18 which therefore should have been included in 17/18 figures. The MHIS tab needed to reconcile back to the ledger so had no option but to include it.
Other trivial misstatements	6 (19)	1	The CCG requested we showed each item separately to highlight the level of materiality that has been examined. The £19,000 item is a similar cut-off issue above.
<b>Overall impact</b>	<b>£(3)</b>	<b>£(77)</b>	

## Overall impact of misstatements in expenditure

The overall impact of the errors we identified was a £0.003 million decrease in the CCG's 2017/18 MHIS expenditure and a £0.077 million decrease in the CCG's 2018/19 MHIS expenditure. This equates to an 0.17 percent reduction in the CCGs mental health investment in 2018/19 and an overall investment in mental health of 2.87 percent in 2018/19.

Based on these revised figures the CCG's draft Compliance Statement remains correctly stated.



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