

Independent Reasonable Assurance Report to NHS East Surrey Clinical Commissioning Group on the Mental Health Investment Standard Statement of Compliance

We were engaged by NHS East Surrey Clinical Commissioning Group ('the CCG') to report on the CCG's Mental Health Investment Standard Statement of Compliance ('the Statement of Compliance') and the accompanying management assertion therein for the year ended 31 March 2019, in the form of an independent reasonable assurance conclusion about whether the CCG's Statement of Compliance is properly prepared, in all material respects, based on NHS England's *Assurance Engagement of the Mental Health Investment Standard - Briefing for Clinical Commissioning Groups*.

CCG's Responsibilities

The Accountable Officer of the CCG is responsible for preparing the Statement of Compliance that is free from material misstatement in accordance with the calculations and definitions specified by NHS England in its *Assurance Engagement of the Mental Health Investment Standard - Briefing for Clinical Commissioning Groups*, which specifies which figures should be used to derive the headline calculations which support the CCG's Statement of Compliance and how they should be calculated, and for the information contained therein.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement of Compliance that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

Our responsibility is to examine the Statement of Compliance prepared by the CCG and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 Revised, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board. That standard requires that we comply with ethical requirements, including independence requirements, and plan and perform our procedures to obtain reasonable assurance about whether the CCG's Statement of Compliance is properly prepared, in all material respects in accordance with the NHS England's *Audit of the Mental Health Investment Standard Briefing for Clinical Commissioning Groups*.

Scope of the Assurance Engagement

The procedures selected depend on our judgment, including the assessment of the risks of misstatement, whether due to fraud or error.

In making those risk assessments, we have considered internal control relevant to the preparation and presentation of the CCG's Statement of Compliance in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the CCG's internal control over the preparation and presentation of the CCG's Statement of Compliance. Our engagement also included: assessing the appropriateness of the CCG's Statement of Compliance, evaluating the appropriateness of the methods, policies and procedures, and models used in the preparation of the CCG's Statement of Compliance and the reasonableness of estimates made by the CCG. Reasonable assurance is less than absolute assurance.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Qualified Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

On the basis of our work, with the exception of the matters reported in the Basis for qualified opinion section of our report, in our opinion the NHS East Surrey CCG's Mental Health Investment Standard Statement of Compliance for the year ended 31 March 2019 has been properly prepared, in all material respects, based on the criteria set out by NHS England in its *Assurance Engagement of the Mental Health Investment Standard - Briefing for Clinical Commissioning Groups*.

Basis for qualified opinion

We have undertaken our review of the CCG's Statement of Compliance having regard to the criteria set out by NHS England in its *Assurance Engagement of the Mental Health Investment Standard - Briefing for Clinical Commissioning Groups*.

We have identified the following issues that indicate that the CCG's Statement of Compliance has not been properly prepared in accordance with NHS England's guidance:

- There are errors in the 2017/18 expenditure in the 2018/19 planning template final submission, which is the expenditure that NHS England's guidance requires the CCG to use in preparing its Statement of Compliance. Whilst the CCG has appropriately corrected these errors in preparing its Statement of Compliance, the 2017/18 expenditure is not based on the source specified in NHS England's guidance. The amendments made to the 2017/18 expenditure include: exclusion of learning disability costs from mental health expenditure and the treatment of perinatal mental health expenditure as net rather than gross.
- There are errors in the 2018/19 final non-ISFE submission, which is the expenditure that NHS England's guidance requires the CCG to use in preparing its Statement of Compliance. Whilst the CCG has appropriately corrected these errors in preparing its Statement of Compliance, the 2018/19 expenditure is not based on the source specified in NHS England's guidance. The amendments made to the 2018/19 expenditure include: exclusion of learning disability costs from mental health expenditure, the treatment of perinatal mental health expenditure as net rather than gross and revisions to prescribing estimates and continuing healthcare risk share estimates made at the time of the submission.
- The 2017/18 and 2018/19 block contract expenditure with the CCG's key mental health provider includes expenditure on dementia. NHS England's guidance requires that expenditure on dementia is excluded in preparing the Statement of Compliance. However, the overall increase in the block contract expenditure from 2017/18 to 2018/19 exceeds the increase in the CCG's allocation and therefore the failure to exclude dementia does not impact on the CCG's compliance with the Mental Health Investment Standard.
- Mental health prescribing expenditure in NHS Business Services Authority reports excludes other prescribing costs that are used for mental health, such as generic drugs and multi-purpose drugs. Therefore the mental health prescribing expenditure used in preparing the Statement of Compliance is not complete. As it is understated in both years, we are unable to ascertain whether or not this impacts on the CCG's compliance with the Mental Health Investment Standard.
- NHS England's guidance requires that expenditure on dementia is excluded in preparing the Statement of Compliance. The CCG has included all continuing healthcare expenditure relating to mental health and has made no exclusion in preparing the Statement of Compliance. The CCG has not been able to ascertain the level of continuing healthcare expenditure that relates to dementia. As the mental health expenditure used in preparing the Statement of Compliance is, therefore, overstated in both years, we are unable to ascertain whether or not this impacts on the CCG's compliance with the Mental Health Investment Standard.

Restriction of Use of Our Report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the CCG for any purpose or in any context. Any party other than the CCG who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the CCG for our work, for this independent reasonable assurance report, or for the conclusions we have reached.

Our report is released to the CCG on the basis that it shall be published on the CCG's website alongside its Statement of Compliance and our report shall not be used for any other purpose or be copied, referred to or disclosed, in whole or in part (save for the CCG's own internal purposes), without our prior written consent.

BDO LLP

BDO LLP
Chartered Accountants
London
United Kingdom

7 July 2020