

Independent Assurance Report in connection with the 2018/19 Mental Health Investment Standard compliance statement to the governing body of NHS Manchester CCG for the year ended 31 March 2019

To the Governing Body of NHS Manchester CCG

This reasonable assurance report (the "Report") is made in accordance with the terms of our engagement letter dated 6 August 2019 (the "Engagement Letter") for the purpose of reporting to the Governing Body of NHS Manchester CCG (the "CCG") in connection with the CCG's Mental Health Investment Standard compliance statement dated 13 July 2020 for the year ended 31 March 2019 (the "Statement"), which is attached. As a result, this Report may not be suitable for another purpose.

Responsibilities of the CCG

The [Refreshing NHS Plans for 2018/19](#) planning guidance issued by NHS England and NHS Improvement stated that:

"Each CCG must meet the Mental Health Investment Standard (MHIS) by which their 2018/19 investment in mental health rises at a faster rate than their overall programme funding".

Each CCG is required to publish a statement after the end of the financial year to state whether they consider that they have met their obligations with regard to the MHIS (the "Statement"). The format and content of the Statement should be in line with the specified wording in the [Assurance Engagement of the Mental Health Investment Standard - Briefing for Clinical Commissioning Groups](#) (the "Guidance") issued by NHS England.

The CCG's Accountable Officer is responsible for the preparation of the Statement for the year ended 31 March 2019 and for the completeness and accuracy of the accounting records and calculations (the "Relevant Information") that forms the basis for the preparation of the Statement. This includes the design, implementation and maintenance of internal controls relevant to the preparation of the Statement to ensure that mental health expenditure is correctly classified and included in the calculations and that the Statement is free from material misstatement, whether due to fraud or error.

Relevant Information to be used in the preparation of the Statement

The Relevant Information to be used in the preparation of the Statement is set out in the Guidance. This includes:

- Total expenditure on mental health in the years ended 31 March 2019 and 31 March 2018, which is consistent with the definitions used for programme budgeting, as set out in the Guidance
- Percentage increase in spend on mental health in the year ended 31 March 2019
- CCG allocation increase in 2018/19.

The Guidance sets out what constitutes eligible mental health expenditure for the purpose of the MHIS and the Statement.

The CCG's Accountable Officer was required to provide us with:

- access to all information of which management is aware that is relevant to the preparation of the Statement, including procuring any such records held by a third party so they were made available to us;
- additional information that we requested from management for the purpose of the engagement; and
- unrestricted access to persons within the CCG from whom we determined it necessary to obtain evidence.

Practitioner's responsibilities

Our responsibilities are to express a conclusion on the accompanying Statement. 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*. ISAE 3000 (Revised) requires us to form an opinion as to whether the Statement has been properly prepared, in all material respects, in accordance with the Criteria set out in the Guidance.

We apply International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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.

A summary of the work that we performed is as follows:

- Ascertained the method of compilation of the Statement and the headline calculations on which it is based;
- 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;
- Identified and assessed the risks of material misstatement in the Mental Health Investment Standard compliance statement as a basis for designing and performing procedures to respond to the assessed risks;
- Verified the percentage increase spending on mental health in 2018/19 included in the headline calculations;
- 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; and
- 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.

We have 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 issued by NHS England and received such explanations from the management of the CCG in order to provide us with sufficient appropriate evidence to form our conclusion on the Statement.

The scope of our testing covered the MHIS performance and mental health expenditure included in the headline calculation only and does not cover the reporting of spend against individual service lines or the degree of provider triangulation.

Our work was directed to those matters which, in our view, materially affect the Statement and was not directed to the discovery of errors or misstatements that we consider to be immaterial. Whilst we perform our work with reasonable skill and care, it should not be relied upon to disclose all misstatements, fraud or errors that might exist.

Inherent Limitations

Our audit work on the financial statements of the CCG is carried out in accordance with our statutory obligations and is subject to separate terms and conditions. This engagement will not be treated as having any effect on our separate duties and responsibilities as the CCG's external auditors.

Our audit report on the financial statements is intended for the sole benefit of the members of the Governing Body of the CCG, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the members of the Governing Body of the CCG those matters we are required to state to them in an auditor's report and for no other purpose. Our audits of the CCG's financial statements are not planned or conducted to address or reflect matters in which anyone other than such members of the Governing Body of the CCG, as a body, may be interested in for such purpose. In these circumstances, to the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the CCG and the members of the Governing Body of the CCG, as a body, for our audit work, for our audit reports, or for the opinions we have formed in respect of those audits.

To the fullest extent permitted by law we do not and will not, by virtue of our reports or otherwise, assume or accept any duty of care or liability under this engagement to the CCG and the members of the Governing Body of the CCG, as a body, or NHS England or to any other party, whether in contract, negligence or otherwise in relation to our statutory audits of the CCG's financial statements.

Conclusion

In our opinion, except for the effects of the matter described in the Basis for qualified conclusion section of our report, NHS Manchester CCG's Mental Health Investment Standard compliance statement is properly prepared, in all material respects, in accordance with the Criteria set out in the [Assurance Engagement of the Mental Health Investment Standard - Briefing for Clinical Commissioning Groups](#) guidance published by NHS England.

Basis for qualified conclusion

Manchester CCG's Mental Health Investment compliance statement is based on the CCG's (the "CCG") headline calculations of their eligible mental health expenditure in 2017/18 and 2018/19. We identified an error in the expenditure figures included in the CCG's calculations for both 2017/18 and 2018/19 where the expenditure had not been calculated in accordance with the Guidance issued by NHS England. This included errors in the following classes of expenditure:

Prescribing costs: The CCG did not include prescribing costs in their MHIS return for either 2017/18 or 2018/19. This omission resulted in a material understatement in the calculation of eligible expenditure for each of the two years. If the CCG's headline calculations had been amended for the non-trivial errors we identified, the 2017/18 mental health expenditure would increase by £7.586 million and the 2018/19 mental health expenditure would increase by £6.257 million.

The amended figures for both years do not affect the accuracy of the CCG's Mental Health Investment compliance statement which states that NHS Manchester CCG consider that it has complied with the requirements of the mental health investment standard for 2018/19.

Use of our report

This Report is made solely to the Governing Body of the CCG, as a body, in accordance with the terms of our Engagement Letter and solely for the purpose of reporting in connection with the 2018/19 Mental Health Investment Standard compliance statement of NHS Manchester CCG. Our work has been undertaken so that we might state to the Governing Body of the CCG those matters we are required to state to them in a reasonable assurance report and for no other purposes. Our Report must not be made available, copied or recited to any other party without our express written permission, except that a copy may be provided to NHS England to whom we owe no duty of care. To the fullest extent permitted by law, we do not accept or assume responsibility or accept any duty of care to anyone other than the CCG and the members of the Governing Body of the CCG, as a body, for our work, for this Report or for the conclusions we have formed. We specifically disclaim any liability for any loss, damage or expense of whatsoever nature, which is caused by reliance on our Report by any party who may receive our Report other than the CCG.

Grant Thornton UK LLP

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Manchester

14 July 2020