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NHS Vale of York CCG

Request for Director
Declarations

February 2014

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1. Purpose of this request

International Auditing Standards require auditors to ask management and those charged with governance about arrangements the entity has put in place:

- to prevent and detect fraud; and
- comply with applicable law and regulations.

This requirement applies each year subject to audit. We are requesting your responses to the questions detailed below.

Our request also covers the appropriateness of the going concern assumption.

2. Questions about arrangements for preventing and detecting fraud

How does the Committee assess the risk that the financial statements may be materially misstated due to fraud?

Is the Committee aware of the management's process for identifying and responding to the risks of fraud generally and specific risks of misstatement in the financial statements?

Is the Committee aware of the arrangements in place for management to report about fraud to the Committee?

Is the Committee aware of the arrangements management have in place, if any, for communicating with employees, non-executive directors, partners and

stakeholders regarding ethical governance and standards of conduct and behaviour?

Does the Committee have knowledge of actual or suspected fraud, and if so is it aware of what actions management is taking to address it?

What arrangements are in place for the Committee to oversee management arrangements for identifying and responding to the risks of fraud and the establishment of internal control?

3. Questions about arrangements for complying with relevant law and regulations

Has management provided a clear statement which confirms its consideration of relevant laws and regulations and its compliance with them?

How does the Committee satisfy itself that all relevant laws and regulations are being complied with?

Is the Committee aware of any instances of non compliance with laws or regulations?

Has management provided a list of litigation and claims?

Has an assessment been made of the outcome of the litigation or claim and its estimate of the financial implications, including costs involved?

Has the reasonableness of management's assessments been considered and additional information provided to the auditor where necessary?

4. Questions about the appropriateness of the going concern assumption

Has a report been received from management forming a view on going concern? Are the financial assumptions in that report (e.g. future levels of income and expenditure) consistent with the strategic business plan and the financial information provided to the Governing Body throughout the year? If not, does the report contain a clear explanation, with supporting evidence, for the assumptions used, and are those assumptions appropriate? This should include written evidence of agreed income and expenditure for major funding streams.

Are the implications of statutory or policy changes appropriately reflected in the business plan, financial forecasts and report on going concern?

Have there been any significant issues raised with the Governing Body during the year (e.g. adverse comments raised by internal and external audit regarding financial performance or significant weaknesses in systems of financial control, or significant variances to activity levels compared to those planned), which could cast doubts on the assumptions made?

Has an analysis been undertaken of the CCG's projected or actual performance against its financial plan? If so, is it robust and does it identify any areas of potential concern? Where this is the case, what action is being taken to address those areas of potential weakness? If a deficit exists, is there a

recovery plan, agreed with all key external stakeholders (e.g. Area Team and NHS Trusts)? If so, is it robust and does it rely significantly on additional financial support?

Does the organisation have sufficient staff in post, with the appropriate skills and experience, particularly at senior management level, to ensure the delivery of the organisation's objectives? If not, what action is being taken to obtain those skills?

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