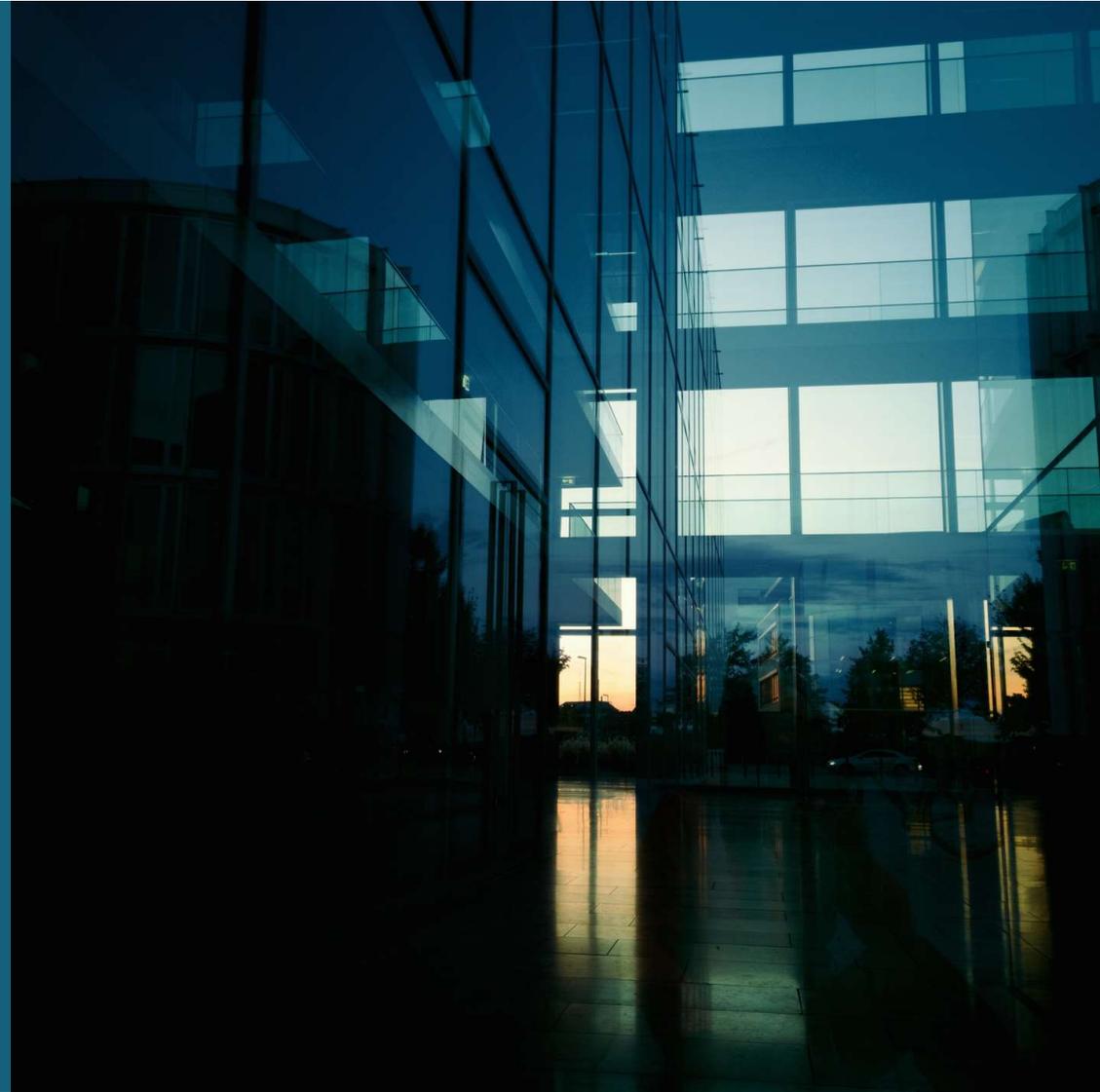


# Auditor's Annual Report

Leeds Community Healthcare NHS Trust  
– year ended 31 March 2021

August 2021



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This document is to be regarded as confidential to Leeds Community Healthcare NHS Trust. It has been prepared for the sole use of the Audit Committee as the appropriate sub-committee charged with governance by the Board of Directors. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.

# 01

## Section 01: **Introduction**

# 1. Introduction

## Purpose of the Auditor's Annual Report

Our Auditor's Annual Report (AAR) summarises the work we have undertaken as the auditor for Leeds Community Healthcare NHS Trust ('the Trust') for the year ended 31 March 2021. Although this report is addressed to the Trust, it is designed to be read by a wider audience including members of the public and other external stakeholders.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 and the Code of Audit Practice ('the Code') issued by the National Audit Office ('the NAO'). The remaining sections of the AAR outline how we have discharged these responsibilities and the findings from our work. These are summarised below.



### Opinion on the financial statements

We issued our audit report on 14 June 2021. Our opinion on the financial statements was unqualified.



### Value for Money arrangements

In our audit report issued we reported that we had not completed our work on the Trust's arrangements to secure economy, efficiency and effectiveness in its use of resources and had not issued recommendations in relation to identified significant weaknesses in those arrangements at the time of reporting. Section 3 confirms that we have now completed this work and provides our commentary on the Trust's arrangements.

Following the completion of our work we have issued our audit certificate which formally closes the audit for the 2020/21 financial year.



### Wider reporting responsibilities

In line with group audit instructions issued by the NAO, on 14 June 2021 we reported that the Trust's consolidation schedules were consistent with the audited financial statements.

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# 02

Section 02:

**Audit of the financial statements**

# 2. Audit of the financial statements

## The scope of our audit and the results of our opinion

Management’s proposed response. Our audit was conducted in accordance with the requirements of the Code, and International Standards on Auditing (ISAs).

The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Trust and whether they give a true and fair view of the Trust’s financial position as at 31 March 2021 and of its financial performance for the year then ended. Our audit report, issued on 14 June 2021 gave an unqualified opinion on the financial statements for the year ended 31 March 2021 as follows:

“In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2021 and of the Trust’s income and expenditure for the year then ended;
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2020/21; and
- have been properly prepared in accordance with the requirements of the National Health Service Act 2006.”

## Qualitative aspects of the Trust's accounting practices

We reviewed the Trusts accounting policies and disclosures and concluded they comply with Department of Health and Social Care Group Accounting Manual 2020/21, appropriately tailored to the Trusts circumstances.

Draft accounts were received from the Trust on 26 April 2021 and were of a good quality.

## Significant difficulties during the audit

We did not encounter any significant difficulties during the course of the audit and we had the full co-operation of management. Our audit work was carried out through remote working arrangements as a result of the constraints imposed by the COVID-19 pandemic. This included the effective use of technology and close liaison with finance and other officers of the Trust. We would like to thank the Finance Team for the quality of their supporting working papers and for being available throughout the audit to answer our queries.

## Internal control recommendations

As part of our audit we considered the internal controls in place that are relevant to the preparation of the financial statements. We did this to design audit procedures that allow us to express our opinion on the financial statements, but this did not extend to us expressing an opinion on the effectiveness of internal controls.

We identified one low risk deficiency in internal control as part of our audit – relating to ensuring that the contract with Leeds City Council, for the provision of staff to the Leeds equipment service, is updated and signed by both parties on an annual basis.. Management has agreed to address the recommendation by the 31 August 2021.

# 03

Section 03:

**Commentary on VFM arrangements**

### 3. VFM arrangements – Overall summary

#### Approach to Value for Money arrangements work

We are required to consider whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:

- **Financial sustainability** - How the Trust plans and manages its resources to ensure it can continue to deliver its services
- **Governance** - How the Trust ensures that it makes informed decisions and properly manages its risks
- **Improving economy, efficiency and effectiveness** - How the Trust uses information about its costs and performance to improve the way it manages and delivers its services

At the planning stage of the audit, we undertake work so we can understand the arrangements that the Trust has in place under each of the reporting criteria; as part of this work we may identify risks of significant weaknesses in those arrangements. Where we identify significant risks, we design a programme of work (risk-based procedures) to enable us to decide whether there is a significant weakness in arrangements. Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest there are further risks of significant weaknesses.

Where our risk-based procedures identify actual significant weaknesses in arrangements, we are required to report these and make recommendations for improvement.

The table below summarises the outcomes of our work against each reporting criteria. On the following page we outline further detail of the work we have undertaken against each reporting criteria, including the judgements we have applied.

Reporting criteria	Commentary page reference	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability	9	No	No
Governance	12	No	No
Improving economy, efficiency and effectiveness	15	No	No

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# 3. VFM arrangements – Financial Sustainability

## Overall commentary on the Financial Sustainability reporting criteria

### Overall responsibilities for financial governance

We have reviewed the Trust’s overall governance framework, including Board and committee reports, the Annual Governance Statement, and Annual Report and Accounts for 2020/21. These confirm the Trust Board undertook its responsibility to define the strategic aims and objectives, approve budgets and monitor financial performance against budgets and put plans in place to best meet the needs of the Trusts service users.

The Business Committee oversees all aspects of financial management and operational performance on behalf of the Board. This includes:

- reviewing the Trust’s financial plans to test assumptions and provide assurance that reports and returns represent a true and fair view of the financial period under review;
- detailed review of the performance brief and domain reports and ensuring they include appropriate performance metrics to provide assurance to the Board on all aspects of organisational performance in line with strategic goals and corporate objectives;
- ongoing review of financial and operational performance, including providing assurance that the finance and performance reporting systems of the organisation are robust;
- seeking assurance that any appropriate management action has been taken to return the Trust’s performance to plan and that any such actions or recovery plans in place are adequately resourced, implemented and monitored; and
- providing assurance to the Board that cost improvement plans to support organisational change are being achieved.

Our review of supporting papers confirmed that it did so effectively throughout 2020/21.

### Background to the NHS financing regime in 2020/21

Following the onset of the Covid-19 pandemic in March 2020, the original NHS Planning Guidance 2020/21 was suspended and a new financial regime was implemented. For the first half of the year (April to September 2020) all NHS trusts and NHS foundation trusts were moved to block contract payments ‘on account’ and the usual Payment by Results national tariff payment process was suspended. The Financial Recovery Fund was also suspended and NHS providers were able to claim for additional costs due to COVID-19. Whilst commissioner allocations for 2020/21 had already been notified, individual commissioner financial positions

were kept under review and top-up payments were issued to CCGs to cover the difference between allocations and expected costs to pass on to providers.

For the second half of the year (October 2020 to March 2021) there was a move to “system envelopes” with funding allocations covering most NHS activity made at the system level, including resources to meet the additional costs of the Covid-19 pandemic. There were no further general retrospective top-up payments and all Covid-19 costs from that point were funded through the fixed Covid-19 funding allocation with a few exceptions.

Systems were expected to achieve financial balance within this envelope and individual organisations were able to deliver surplus or deficit positions by mutual agreement within the system. However, NHS trusts and foundation trusts were still required to meet statutory break-even duty and CCGs required to meet their resource limits.

### Budget monitoring and control

At the start of the financial year revenue and capital expenditure budgets are prepared for approval by the Board. Financial pressures are collated throughout the year and form part of the budget planning process for the following year. Rolled forward budgets are prepared following review of current outturn, known workforce changes and identified cost pressures. Funding or cost pressures the Trust believes are demand or policy led are taken forward in contract negotiations with Commissioners. Financial pressures are taken to Senior Management Team (SMT) for review and approval as part of the financial plan for the year. A single triangulated plan is submitted to NHS England and Improvement (NHSE/I) for scrutiny and feedback. The financial plan is taken to the Business Committee and approved by the Trust Board.

Clear responsibilities are outlined for budget holders and the Trust’s Standing Orders and Standing Financial Instructions include specific provisions for the preparation and approval of the financial plan and budget.

We read the Trust’s Standing Orders and Standing Financial Instructions and found they appropriately cover preparation and approval of plans and budgets, budgetary delegation, budgetary control and reporting and capital expenditure. We also found Senior Finance Managers provide dedicated support to budget holders to ensure effective financial management at business unit level, which feeds into monitoring of the overall Trust financial position.

# 3. VFM arrangements – Financial Sustainability

## Overall commentary on the Financial Sustainability reporting criteria - continued

### Financial Planning and Monitoring

In response to the new finance regime, the Trust Board approved a plan for the first four months of the 2020/21 year in an emergency business rules environment and a plan for the full year if the Trust was not operating under emergency business rules. This was caveated that both the priorities and financial plan might be subject to significant change as COVID-19 developed over the coming months. Over the first half of the year the Trust achieved break-even, with no requirement for top-up funding.

The Trust submitted a revised financial plan for the second half of the financial year to NHSE/I. This plan included a forecast outturn surplus of £0.4m. Expenditure within the financial plan was underpinned by assumptions around pay, cost pressures, inflation and service development areas. Income from CCG's and NHSE was fixed at levels determined within the West Yorkshire and Harrogate Integrated Care System (ICS), as contract negotiations had been suspended at the start of the year. However, where the Trust had contracts outside of the NHS these had continued to be negotiated with the commissioning body to reflect current year demand/changes.

The Trust has reported an adjusted outturn position at 31 March 2021 of £1.5m surplus. This takes account of NHS wide one-off funding. In 2020/21 the Trust met all of its financial targets, something it has continued to do since its inception in 2010/11.

During the year the Trust reported its financial position to the Business Committee and then subsequently to the Board. We reviewed a sample of reports presented for 2020/21, which contain evidence of a clear summary of the Trust's performance, detail any variances and provide adequate explanation of the causes. The reports also provide an updated forecast to the end of the financial year.

### Cost Improvement Programme

The Trust has developed a Cost Improvement Programme which where necessary aims to bridge funding gaps through efficiency savings programmes. Senior Management Team and the Business Committee identify potential efficiency savings programmes and make recommendations to Trust Board who approve the final Cost Improvement Programme.

Nationally the efficiency target set for 2020/21 was 1.1%. After accounting for known and assumed income and expenditure cost improvement programme savings of 1.7% or £2.75m were required. For 2020/21 there was no generic cost improvement programme applied across the Trust or across business units. This

recognised the pressure that many services continued to face in 2019/20. The 2020/21 initial plan included £1.175m of identified savings across a range of schemes, with £1m of unidentified savings. During the emergency financial regime the requirement for efficiency savings was suspended to the end of month 6.

For the second half of the 2020/21 year the national calculated income for the Trust assumed delivery of 1% Cost Improvement Programme. This was assumed to be delivered if the Trust achieved its target financial position to breakeven. This was included within the plan submitted to NHSE/I as planned efficiencies of £910k. The Trust delivered savings of £800k in year and the shortfall was covered non-recurrently through in year underspending.

Cost Improvement Programme performance is reported to the Business Committee and Trust Board within the Performance Brief. We reviewed examples of these reports and confirmed they contain a high-level Trust wide summary of performance against plan. Clearly identifying and reporting any schemes that are behind target. The Trust continued to report performance during the first 6 months of the year despite suspension of the need to deliver efficiency savings.

### Financial Planning 2021/22

On 25 March 2021 NHSE/I published the priorities and operational planning guidance for 2021/22. This overarching document sets out six priorities for the year ahead and asks local health systems to develop fully triangulated plans across activity, workforce and money for the next six months. These arrangements are supported by an additional NHS wide £8.1bn of funding to reflect the ongoing impact of Covid-19. This included the details of the finance and contracting arrangements for the first half of 2021/22 (April to September 2021). The financial arrangements are similar to the latter half of 2020/21, including:

- a financial envelope for the local health system based on the financial envelope for October to March 2021, adjusted for known pressures and policy changes;
- the continuation of block contract payments and no requirement for signed contracts between commissioners and providers;
- uplifting specialised and directly commissioned services from NHS England by 0.5%; and
- additional funding to support the delivery of the Mental Health Investment Standard and Long-Term Plan priorities.

# 3. VFM arrangements – Financial Sustainability

## Overall commentary on the Financial Sustainability reporting criteria - continued

### Financial Planning and Monitoring - continued

The approach taken to determining costs within the financial plan submitted by the Trust to NHSE/I included rolling forward recurrent 2021/22 budgets and adjusting for assumptions around pay, cost pressures, inflation and service development areas. Unidentified Cost Improvement Programme (CIPs) of £2.5m not recurrently delivered were rolled forward. Budgets for tendered services were included at the level identified in the tender to deliver the service specification. The allocation of income from CCG's and NHSE within the West Yorkshire and Harrogate ICS was based on the allocation in the financial plan for the second half of 2020/21, updated to reflect national pressures.

The Business Committee and Trust Board received a report in March 2021 setting out the approach taken to producing the financial plan and requesting approval of a service and departmental expenditure budgets totalling £179.8m. Review of the report and minutes highlight that the Committee and Board were informed of the key risks and uncertainties at that time, particularly around the financial regime beyond Q2 of 2021/22 and as a result that the budgets recommended for approval would require adjustment as the year progresses.

Review of the financial plan submitted to NHSE/I shows a plan to break even to 30 Sept 2022.. Review of the month 2 monitoring return shows a forecast position to achieve this. Recurrent savings of £265 for the first half of 2021/22 are built into the plan. It is clear that the Trust is closely monitoring the progress against plan to date, is fully aware of where the risks and uncertainties lie and the financial pressures that exist beyond the current financial plan period.

### Conclusion

Given the above, we are satisfied there is not a significant weakness in the Trust's arrangements in relation to the financial sustainability reporting criteria.

# 3. VFM arrangements – Governance

## Overall commentary on the Governance reporting criteria

### Governance Structure

We have reviewed the Trust's board and committee reports during the year as well as key documents in relation to how the Trust ensures that it makes informed decisions and properly manages its risks. The Trust Board is accountable for the Trust's strategies, policies and performance as set out in the Codes of Conduct and Accountability issued by the Secretary of State. The key role of the Board is to consider the key strategic and managerial issues facing the Trust in carrying out its statutory and other functions.

Our review of the Trust's governance framework confirms appropriate arrangements are in place. The Trust has established committees with responsibility for specific areas, such as finance and performance, and the quality of care, including:

- Audit Committee.
- Nominations and Recruitment Committee.
- Charitable Funds Committee.
- Business Committee.
- Quality Committee.

The terms of reference and work plans of these various committees ensures that the Board is provided with adequate assurance. We consider the committee structure of the Trust is sufficient to provide assurance that decision making, risk and performance management is subject to appropriate levels of oversight and challenge.

The Trust has arrangements in place to review the performance and effectiveness of the governance framework in place. The Board and each committee complete an annual effectiveness review that is reported to the Audit Committee. The Audit Committee terms of reference set out that the committee will be the custodian of the Board and sub-committee annual effectiveness process. The Audit Committee completes an annual report on its own effectiveness and submits this to the Board .

The Board requires Board members to declare on appointment and thereafter on an annual basis that they remain a fit and proper person to be employed as a Board member. The Committee chairs meet annually to review their combined performance and to ensure that they collectively serve the Board.

We reviewed the minutes of the most recent committee chairs review which covered the governance structure, committee's effectiveness and a summary of actions. The review concluded committees were functioning well and were working hard to discharge the responsibilities delegated to each committee by the Board.

Our review of Board and Committee papers confirms that a template covering report is used for all Board Reports, ensuring the purpose, key points, committee reporting history, recommendations and responsible director are clear. Minutes are published and reviewed by the Board to evidence the matters discussed, appropriate challenge and decisions made.

We read the Care Quality Commission's (CQC) most recent inspection report on the Trust from October 2019. CQC reported, "There was a governance structure to enable safe, high quality care to flourish. There was a comprehensive committee structure which ensured the trust had a systematic approach to ensuring the quality and safety of its services and being assured of this."

### Audit Committee

The Trust has an established Audit Committee that is responsible for reviewing the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the organisation's activities that supports the achievement of the organisation's objectives.

It achieves this by reviewing the adequacy and effectiveness of:

- the Trust's general risk management structures, processes and responsibilities, together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board;
- the underlying assurance processes that indicate the degree of achievement of corporate objectives and the effectiveness of the management of strategic risks;
- the policies for ensuring compliance with the relevant regulatory, legal and code of conduct requirements and related reporting and self-certification; and
- the policies and procedures for all work related to fraud and corruption as required by NHS Protect

### 3. VFM arrangements – Governance

#### Overall commentary on the Governance reporting criteria - continued

##### Audit Committee - continued

The Audit Committee is also responsible for:

- the provision and maintenance of an effective system of financial risk identification and associated controls, reporting and governance;
- reviewing the Board Assurance Framework's sources of assurance for appropriateness, independence, and frequency. Evaluating whether these can effectively evidence that the controls are working and that the assurance process is being effectively applied; and
- ensuring that appropriate governance is in place to ensure that the Trust can comply with its statutory duties relating to information governance.

Our review found the Audit Committee considers the Board Assurance Framework, Annual Report, Annual Governance Statement and progress of internal audit, counter fraud and external audit plans. It also regularly receives updates on losses and special payments, waivers of standing orders and reviews on behalf of the Board, the operation of and proposed changes to the standing orders, standing financial instructions and scheme of delegation.

We have reviewed supporting documents and confirmed the Audit Committee has agreed terms of reference, meets regularly and reviews its programme of work to maintain focus on key aspects of governance and internal control. Our attendance at Audit and Committee has confirmed there is an appropriate level of effective challenge.

##### Board Assurance Framework

The Trust has a well-established Board Assurance Framework and risk management system in place which is embedded into the governance structure of the organisation. The Trust has a risk management policy and procedure in place, setting out its key objectives, the requirement for an integrated and consistent approach to risk management and the key roles and responsibilities for risk management. The Trust Board is responsible for the organisation's overall governance and to review and maintain an effective system of internal control, including systems and resources for managing all types of risk.

All risks, including financial are recorded and monitored through the Trust's risk management software programme, Datix. The risk register includes a description of the risk, any controls currently in place, actions to be completed, and the initial, current and target risk scores. All risks are assigned a risk owner. Extracts from the Datix system are regularly scrutinised by senior managers. The Quality Committee scrutinise management of clinical risks and provide evidence of effective clinical risk management to the Board. The Business Committee scrutinise non-clinical risks with a risk score of 8 or above and where relevant, propose further risk reduction treatment. Risks assigned a score of 12 or above (high) and 15 or above (extreme) are escalated to Trust Board.

Review of reports to the Business Committee and Quality Committee show clear reporting of risks, including details of the risk, rationale for the risk score, controls in place and actions taken. Risks are assigned a target risk score and an expected date to reach target is set. Reports also include escalated, de-escalated, new and closed risks. Minutes of the Quality Committee and Business Committee are presented to Trust Board to allow for scrutiny and challenge by the Trust leadership.

We have reviewed minutes of the Business Committee and Quality Committee and are content that the above arrangements have been in effective practice throughout 2020/21.

##### Internal Audit and Counter Fraud

In order to provide assurance over the effective operation of internal controls, including arrangements to protect and detect fraud, The Trust has appointed "TIAA" as internal auditors and local counter fraud specialists. Work plans are agreed with management at the start of the financial year and reviewed by the Audit Committee prior to approval.

We have reviewed the Internal Audit Plans for 2020/21 and 2021/22 and confirmed planned work is informed by a risk assessment and is focused on the key audit risks and to ensure a robust Head of Internal Audit Opinion can be provided. Progress reports are presented to each Audit Committee meeting including follow up reporting of recommendations not fully implemented by agreed due dates. This allows the Committee to effectively hold management to account on behalf of the Board. Members of the committee engage in robust challenge of management when discussing findings from internal audit reviews.

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# 3. VFM arrangements – Governance

## Overall commentary on the Governance reporting criteria - continued

### Internal Audit and Counter Fraud - continued

The Head of Internal Audit Opinion is reflected in the published Annual Governance Statement, where, in their view internal audit were satisfied the Trust had reasonable and effective risk management, control and governance processes in place throughout 2020/21.

### Performance Management

We have reviewed key reports issued to the Board and confirmed the Trust reports its performance in several different ways:

- a Performance Brief to each Board meeting; and
- the publication of the Annual Report and Annual Governance Statement, which are reviewed by the Audit Committee before adoption by the Board.

The Performance Brief is structured in line with the CQC domains of safe, caring, effective, responsive and well led, with the addition of finance. Performance in each area is summarised in an assurance summary dashboard, which shows performance against target and over time. Performance is rated using a traffic light system and prior year data is included for comparative purposes. Key themes and actions taken are summarised in the narrative commentary supporting each of the key areas. Cross-membership to ensure all committees have members who are on more than one committee, ensures information can be triangulated with more in-depth reporting to committees.

The Business Committee oversees and gains assurance on all aspects of financial management and operational performance, including data quality, finance and performance reporting, cost improvement plans, non-clinical risks, review of operational plan and budget, tender evaluation, oversight of workforce, estates and statutory health and safety obligations and treasury management.

Our review confirms, overall, that the Trust's reports are clearly laid out and sufficiently detailed to monitor performance and corrective action is taken where required.

### Conduct

We have reviewed key policies and procedures in place to maintain compliance with legislative/regulatory requirements and standards in behaviour, including conflicts of interest. These policies and procedures are subject to regular review by the Trust.

The Trust has a Conflicts of Interest Policy and all Board members are required to declare any interest on an annual basis. Before each Board/committee meeting, the Chair reviews the papers and considers any potential conflicts of interest. At each meeting there is a standing item on the agenda for members and attendees to declare any additional interests. A gifts and hospitality register is maintained by the Company Secretary.

We reviewed the declarations of interest during the financial statements audit. We have confirmed that all executive and non-executive declared interests and gifts and hospitality are reported within the 2020/21 Annual Report .

### Conclusion

Given the above, we are satisfied there is not a significant weakness in the Trust's arrangements in relation to the governance reporting criteria.

# 3. VFM arrangements – Improving Economy, Efficiency and Effectiveness

## Overall commentary on the Improving Economy, Efficiency and Effectiveness reporting criteria

### Performance Management

We have discussed arrangements with management to confirm the Trust is a member of the NHS Benchmarking Club and participates in most benchmarking exercises, focusing on those services that it believed will benefit most from comparative cost and performance information. Recently the Trust used benchmarking information to inform the transformation review of the Child and Adolescent Mental Health Service (CAMHS).

The Trust uses a range of internal and external data to monitor performance and deliver improvements, for example using successive CQC reports to deliver improvements from 'requires improvement' to 'good' and maintaining 'good'.

In Oct 2019 the Health and Safety Executive (HSE) carried out an audit of the Trusts arrangements to protect staff from the risks associated with violence and aggression and muscular skeletal disorders. The audit highlighted a number of weaknesses in the arrangements in place and a Notification of Contravention letter was issued. The Trust has used the report as a catalyst for a transformation in the approach to health and safety. A formal response and comprehensive action plan was submitted to the HSE in Feb 2020 and the Trust has continued to work towards full implementation of the plan. Delivery has however been impacted by the Covid 19 pandemic. In light of this an updated action plan was submitted to HSE in Aug 2020 and the HSE confirmed that the revised action plan satisfactorily addressed the matters raised in the Notification of Contravention letter. Review of the updated action plan shows that a significant number of the action points had already been implemented at this point and where actions remained outstanding revised timescales had been set. Whilst these timescales have continued to be impacted by the pandemic, ongoing implementation progress is reported to the Business Committee and challenged by members. Review of the latest report shows implementation progress to date and the areas of focus over the next 6 months to ensure full implementation of the action plan.

The Trust have also used the CQC review in 2019 and external benchmarking to embark on a transformation of CAMHS. Benchmarking highlighted that costs were high compared to comparator bodies and this along with CQC recommendations led to a whole scale review of the way CAMHS is delivered. The review has led to transfer of the management of inpatient CAMHS for West Yorkshire to Leeds and York Partnership NHS Foundation Trust from 1 April 2021, with Leeds Community Healthcare NHS Trust continuing to offer community CAMHS provision in Leeds. The transformation of in house services remains underway. Review of the Project Initiation Document shows it sets out the key objectives of the project and success criteria and metrics that will be used to measure outcomes. Project Highlight Reports to the Programme Board outline current and planned progress in transformation of community CAMHS services and highlight risks to delivery.

The Trust triangulates financial and performance information in key services. The Business Committee regularly receives a report triangulating information on the neighbourhood teams. Review of the reports to Business Committee show reporting of staffing, quality and finance data across the themes of capacity, delivery, safety and experience, compliance (workforce indicators) and finance. The reports set out the impacts for individual neighbourhood teams, identifying where action or ongoing support is required, as well as highlighting citywide actions to mitigate any impact on quality.

As discussed above our review of Board and committee reports confirms that the Business Committee and Trust Board receive regular Performance Briefs covering performance against the CQC domains and finance. Our review confirms the reports provide sufficient detail to understand performance and published minutes demonstrate sufficient challenge from non-executive directors on the Trust's costs, performance and service delivery.

The Trust has developed its own performance information portal (PIP) to provide managers with information in relation to mandated performance measures and service specific indicators. Everyone within the Trust has access to PIP. The system brings together performance data from a number of sources into overall Trust wide reports that can be drilled down to business unit/service level. PIP also includes metrics around data quality to provide context on the reliability of data on which performance is reported CCG's with contracts with the Trust have access to a sub-set of the PIP data, enabling them to access real time performance against contracts. Output and dashboards from PIP feed into reports to committees and Trust Board and are used at business unit level performance panels to hold operational managers to account.

We have read and reviewed the Trust's Annual Report which sets out its performance against key financial indicators and how it evaluates and reports performance and ensures the quality of data on which performance is reported. We read the CQC's most recent inspection report from Oct 2019, which stated, 'There were systems to identify performance issues and to manage these. The Trust produced a range of dashboards at all levels of the organisation to monitor performance in the full range of trust functions. There was a system of assurance meetings where managers were held to account for performance. The trust was assured of the quality of its data'.

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# 3. VFM arrangements – Improving Economy, Efficiency and Effectiveness

## Overall commentary on the Improving Economy, Efficiency and Effectiveness reporting criteria - continued

### Partnership Working

The Trust has “being a good partner” as one of the four statements about how it will achieve its vision. The strategic risks to delivery of that goal are identified in the Board Assurance Framework and as such they are monitored by the Business Committee and or Board. The Trust has introduced an internally developed Partnership Governance Framework to ensure all aspects of working in partnership are considered in advance of entering into a partnership and the Trust has formal partnership boards where it is providing commissioned services as a lead provider.

### Procurement

The Trust’s processes for procurement of goods and services are governed by standing orders, standing financial instructions, the scheme of delegation and relevant policies and procedures. A six-monthly report on procurement is presented to the Business Committee. The Trust is a member of the North of England Commercial Procurement Collaboration (NoECPC) using it for expert advice and procurement frameworks, as well as having a service level agreement in place for transactional procurement services and advice from Leeds and York Partnership NHS Foundation Trust.

Our attendance at the Audit Committee confirms it receives regular reports on any breaches of Standing Orders/Standing Financial Instructions and Single Tender Waivers to assure the Board that the Trust is working in accordance with relevant legislation, professional standards and internal policies. Sufficient information is provided to enable an adequate level of review and we have observed an appropriate level of challenge from Committee members through the year.

### Conclusion

Given the above, we are satisfied there is not a significant weakness in the Trust’s arrangements in relation to the economy, efficiency and effectiveness reporting criteria.

# 04

Section 04:

**Other reporting responsibilities and  
our fees**

## 4. Other reporting responsibilities and our fees

### Matters we report by exception

The Local Audit and Accountability Act 2014 provide auditors with specific powers where matters come to our attention that, in their judgement, require specific reporting action to be taken. Auditors have the power to:

- issue a report in the public interest;
- make a referral to the Secretary of State ; and
- Make a written recommendation to the Trust which must be responded to publicly.

We have not exercised any of these statutory reporting powers.

We are also required to report if, in our opinion, the governance statement does not comply with relevant guidance or is inconsistent with our knowledge and understanding of the Trust. We did not identify any matters to report in this regard.

### Reporting to the NAO in respect of consolidation data

The NAO, as group auditor, requires us to report to them whether consolidation data that the Trust has submitted is consistent with the audited financial statements. We have concluded and reported that the consolidation data is consistent with the audited financial statements.

# 4. Other reporting responsibilities and our fees

## Fees for work as the Trust's auditor

We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Audit Strategy Memorandum presented to the Audit Committee in March 2021. Having completed our work for the 2020/21 financial year, we can confirm that our fees are as follows:

Area of work	2020/21 fees
Planned fee in respect of our work under the Code of Audit Practice	£56,525
Additional fees	£0
<b>Total fees</b>	<b>£56,525</b>

## Fees for other work

We confirm that we have not undertaken any non-audit services for the Trust in the year.

# Mark Dalton, Director – Public Services

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services\*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

\*where permitted under applicable country laws.

**mazars**