PATIENTS’ PRIVATE FUNDS - ANNUAL ACCOUNTS 2006/07

RECOMMENDATIONS:

The Board is asked to:


2. Authorise the:

   i) Director of Finance and Chief Executive to sign the Abstracts of Receipts and Payments for 2006/2007;
   
   ii) Chairman and Director of Finance to sign the Statements of Board Members’ Responsibilities;
   
   iii) Chief Executive to sign the Letter of Representation to KPMG on behalf of the NHS Board.

BACKGROUND

1. NHS Greater Glasgow and Clyde holds the private funds of many of its patients; especially those who are in long term residence and who would have no ready alternative to safekeeping and management of their funds. Each of the Board’s hospitals has arrangements in place to receive and hold, and where appropriate manage, the funds of any patients requiring this service. Any funds that are not required for immediate use are invested to generate interest, which is distributed to the patients’ accounts based on each individual’s balance of funds held.
2. NHS Boards are required to submit audited Annual Accounts for these funds, in the form of an Abstract of Receipts and Payments (form SFR 19), to the Scottish Government Health Directorate. From 1 April 2006, the Board assumed responsibility for the funds held by the ‘Clyde’ hospitals of the former NHS Argyll and Clyde, which now form part of NHS Greater Glasgow and Clyde. These funds are fully reflected in the SFR 19 and, to assist comparison, the 2005/2006 comparative figures have been restated to include the transactions and balances relevant to the ‘Clyde’ hospitals (as detailed in note 2 to the SFR 19).

3. The 2006/2007 Abstract of Receipts and Payments for NHS Greater Glasgow and Clyde is attached along with the Statement of Board Members’ Responsibilities and Auditors report. KPMG, External Auditors of the NHS Greater Glasgow and Clyde Patients’ Private Funds, have indicated that they are prepared to sign their report without qualification.

4. To comply with auditing standards, KPMG require representations from the audited body on certain matters that may have a bearing on the audit. This confirms to the auditors that the audited body has disclosed all relevant information relating to the audit and includes specific representations relating to the disclosure of fraud. A letter containing the appropriate representations is attached and will be signed by the Chief Executive after approval by the NHS Board.
Statement of Board Members’ responsibilities

The Scottish Government Health Directorate requires NHS Greater Glasgow and Clyde to prepare an abstract of receipts and payments of Patients’ Private Funds for each financial year, which fairly presents the state of the funds administered.

NHS Greater Glasgow and Clyde is responsible for ensuring proper accounting records are maintained, which disclose with reasonable accuracy at any time the financial position of the Patients’ Private Funds and enable it to ensure that the statement complies with the requirements of the Scottish Government Health Directorate given in the NHS Board Manual for Accounts. It is also responsible for safeguarding the assets held on behalf of the patients and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As members of Greater Glasgow and Clyde NHS Board, we confirm that the above responsibilities have been discharged during the period 1 April 2006 to 31 March 2007 and in preparing the abstract of receipts and payments.

Andrew O Robertson
Chairman

Douglas Griffin
Director of Finance

18 December 2007
Independent auditors’ report to Greater Glasgow and Clyde NHS Board

We have audited the attached abstract of receipts and payments of patients’ private funds administered by Greater Glasgow and Clyde NHS Board (‘the abstract of receipts and payments’) which has been prepared on a cash receipts and payments basis.

Respective responsibilities of board members, Accountable Officer and Auditors

As described on page 1, the board members are responsible for the preparation of the abstract of receipts and payments in accordance with the requirements of the NHS Unified Board Manual for Accounts.

Our responsibility is to audit the abstract of receipts and payments in accordance with the terms of our engagement letter dated 4 July 2007 and having regard to International Standards on Auditing (UK and Ireland).

Under the terms of the engagement we are required to report to you our opinion as to whether the abstract of receipts and payments presents fairly, in accordance with the requirements of the NHS Unified Board Manual for Accounts, the state of affairs of the patients’ private funds as at 31 March 2007 and their cash receipts and payments for the year then ended. We also report to you if, in our opinion, we have not received all the information and explanations we require for our audit.

Our report has been prepared for Greater Glasgow and Clyde NHS Board solely in connection with the audit of the abstract of receipts and payments of patients’ private funds. It has been released to Greater Glasgow and Clyde NHS Board and to the Scottish Government Health Directorate on the basis that our report shall not be copied, referred to or disclosed, in whole (save for Greater Glasgow and Clyde NHS Board’s or the Scottish Government Health Directorate’s own internal purposes) or in part, without our prior written consent.

Our report was designed to meet the agreed requirements of Greater Glasgow and Clyde NHS Board and particular features of our engagement determined by Greater Glasgow and Clyde NHS Board’s needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Greater Glasgow and Clyde NHS Board for any purpose or in any context. Any party other than Greater Glasgow and Clyde NHS Board who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG LLP will accept no responsibility or liability in respect of our report to any other party.

Basis of opinion

We conducted our audit having regard to International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the abstract of receipts and payments. It also includes an assessment of the significant estimates and judgments made by the board members in the preparation of the abstract of receipts and payments.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the abstract of receipts and payments is free from material misstatement, whether caused by fraud or other irregularity or error. In view of the purpose for which this abstract has been prepared, however, we did not evaluate the overall adequacy of the presentation of the information which would have been required if we were to express an audit opinion under International Standards on Auditing (UK and Ireland).

Opinion

In our opinion the abstract presents fairly, in accordance with the requirements of the NHS Unified Board Manual for Accounts, the state of affairs of the patients’ private funds administered by Greater Glasgow and Clyde NHS Board as at 31 March 2007 and their cash receipts and payments for the year then ended.

KPMG LLP
Chartered Accountants
191 West George Street
Glasgow
G2 2LJ
Note 1 to SFR19
The Scottish Government Health Directorate requires NHS Greater Glasgow and Clyde to prepare, on an annual basis, an abstract of receipts and payments of patients’ private funds administered by the Board. The abstract of receipts and payments of the patients’ private funds has been prepared by the Board, on a cash basis, in accordance with the requirements of the 2006-07 NHS Unified Board Manual for Accounts.

Note 2 to SFR 19
From 1 April 2006, NHS Greater Glasgow and Clyde assumed responsibility for the patients’ private funds relating to the Clyde area hospitals of the former NHS Argyll and Clyde. To assist comparability, the 2005/2006 comparative amounts have been restated to reflect the balances and transactions relating to these hospitals. These transactions and balances would previously have been reported by NHS Argyll and Clyde as a constituent part of its 2005/2006 abstract of receipts and payments.
### NHS GREATER GLASGOW AND CLYDE

**PATIENTS’ PRIVATE FUNDS**

**FOR THE YEAR ENDED 31 MARCH 2007**

<table>
<thead>
<tr>
<th>2005/06</th>
<th>£</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RECEIPTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening Balances :</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Cash in Bank</td>
<td>1,921,081</td>
<td>1,798,423</td>
</tr>
<tr>
<td>Cash on Hand</td>
<td>28,778</td>
<td>28,570</td>
</tr>
<tr>
<td>Other Funds</td>
<td>66,663</td>
<td>84,980</td>
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<tr>
<td>---</td>
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<td>---</td>
</tr>
<tr>
<td>2,016,422</td>
<td>From or on behalf of Patients</td>
<td>3,142,620</td>
</tr>
<tr>
<td>1,694,821</td>
<td>Interest on Patients’ Fund Account</td>
<td>74,687</td>
</tr>
<tr>
<td>54,091</td>
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<td>---</td>
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<tr>
<td>---</td>
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</tr>
<tr>
<td>3,765,334</td>
<td>TOTAL RECEIPTS</td>
<td>5,129,280</td>
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<td>---</td>
</tr>
</tbody>
</table>

<p>| <strong>PAYMENTS</strong> |   |       |
| To or on behalf of Patients | £ | £ |
| Closing Balances: | £ | £ |
| Cash in Bank | 1,798,423 | 2,820,518 |
| Cash on Hand | 28,570 | 35,943 |</p>
<table>
<thead>
<tr>
<th>Other Funds</th>
<th>84,980</th>
<th>102,446</th>
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<tbody>
<tr>
<td>1,911,973</td>
<td>TOTAL PAYMENTS</td>
<td>5,129,280</td>
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</tr>
</tbody>
</table>

**Closing Balances accounted for as:**

- **Patients’ Personal Accounts**
  - Credit Balances | £ | £ |
  - Less: Debit Balances | (1,082) | (187) |
  - --- | --- | --- |
  - 1,909,599 | 2,949,965 |

- **Interest received but not credited** | £ | £ |
  - --- | --- | --- |
  - 3,456 | 9,129 |

**TOTAL CLOSING BALANCE AS ABOVE** | £ | £ |
<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>1,911,973</td>
<td>2,958,907</td>
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</tr>
</tbody>
</table>

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I certify that the above abstract of Receipts and Payments is correct, and in accordance with the Books of Account and that the Register of Valuables has been inspected and checked with property held.

Douglas Griffin  
Director of Finance  
18 December 2007

The abstract of Receipts and Payments was submitted at a Board Meeting on 18 December 2007 and duly approved.

Tom A Divers  
Chief Executive  
18 December 2007
Dear Sirs

This representation letter is provided in connection with your audit of the abstract of receipts and payments of patients’ private funds administered by Greater Glasgow and Clyde NHS Board (“the Board”) for the year ended 31 March 2007, for the purpose of expressing an opinion as to whether the abstract presents fairly, in all material respects, the state of affairs of the patients’ private funds administered by the Board in accordance with the requirements of the NHS Unified Board Manual for Accounts.

We acknowledge as directors our responsibilities under the National Health Service (Scotland) Act 1978 for preparing the abstract of receipts and payments of patients’ private funds administered by the Board which presents fairly the state of affairs of the patients’ private funds, for making accurate representations to you and for ensuring that there is no relevant audit information that you are unaware of. The Board approves the financial statements.

The Board understands that auditing standards require you to obtain representations from directors on matters that are material to your opinion.

The Board has made appropriate inquiries of directors and officers of the Board with the relevant knowledge and experience. Accordingly, the Board confirms, to the best of its knowledge and belief, the following representations given to you in connection with your audit of the abstract of receipts and payments of patients’ private funds administered by the Board for the year ended 31 March 2007:

1) All the accounting records have been made available to you for the purpose of your audit and the full effect of all the transactions in the period have been properly reflected in the abstract of receipts and payments of patients’ private funds administered by the Board.

2) The Board acknowledges responsibility for the design and implementation of a system of internal control to manage and safeguard patients’ private funds including prevention of error and fraud.

3) The Board:

   a) understands that the term “fraud” includes misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets.
b) has disclosed to you our knowledge of any fraud or suspected fraud (including allegations of fraud) affecting the Board’s patients’ private funds and the results of its assessment of the risk that the abstract of receipts and payments of patients’ private funds may be materially misstated as a result of fraud.

This letter was authorised at a meeting of the Board on 18 December 2007.

Yours faithfully

Tom Divers
Chief Executive
(Signed on behalf of the Board)