

Greater Glasgow and Clyde NHS Board



Board Meeting

Tuesday 20 October 2009

Director of Finance

Board Paper No. 09/59

PATIENTS' PRIVATE FUNDS - ANNUAL ACCOUNTS 2008/09

RECOMMENDATIONS:

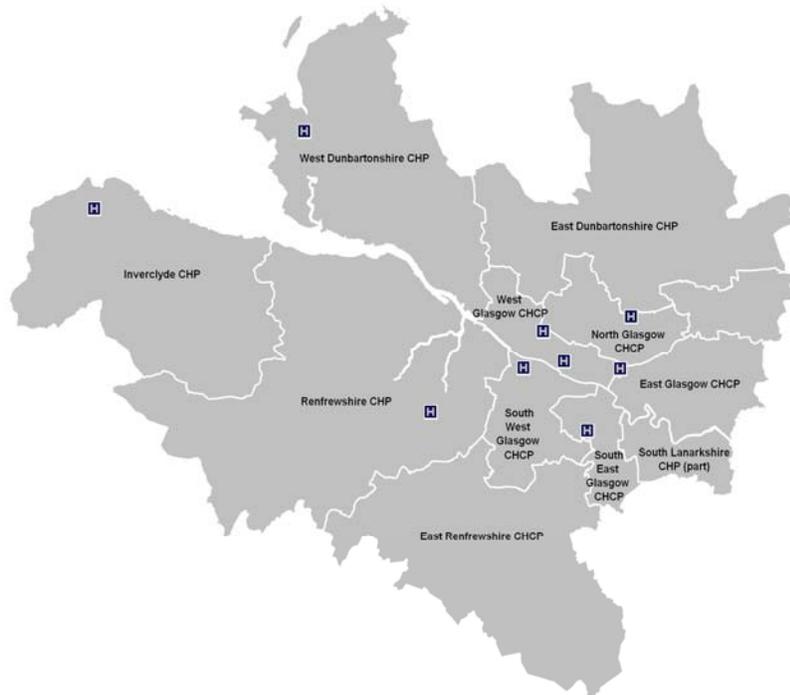
The Board is asked to:

1. Adopt and approve for submission to the Scottish Government Health Directorate the 2008/09.
Patients' Private Funds Annual Accounts for NHS Greater Glasgow and Clyde.
2. Authorise the:
 - i) Director of Finance and Chief Executive to sign the Abstract of Receipts and Payments for 2008/09;
 - ii) Chairman and Director of Finance to sign the Statement of Board Members' Responsibilities;
 - iii) Chief Executive to sign the Letter of Representation to KPMG LLP 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.
3. The 2008/09 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 LLP, 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 LLP 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.

NHS Greater Glasgow and Clyde
Patients' Private Funds - Annual Accounts
for the Year Ended 31 March 2009



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Patients' Private Funds - Annual Accounts for the Year Ended 31 March 2009

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NHS Greater Glasgow and Clyde

Patients' Private Funds - Annual Accounts for the Year Ended 31 March 2009

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 from 1 April 2008 to 31 March 2009, and in preparing the abstract of receipts and payments.

A O Robertson OBE
Chairman

D Griffin
Director of Finance

20 October 2009

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 2, 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 2009 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 Department 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).

NHS Greater Glasgow and Clyde
Patients' Private Funds - Annual Accounts for the Year Ended 31 March 2009

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 2009 and their cash receipts and payments for the year then ended.

KPMG LLP
Chartered Accountants

191 West George Street
Glasgow
G2 2LJ

NHS Greater Glasgow and Clyde
Patients' Private Funds - Annual Accounts for the Year Ended 31 March 2009

Abstract of Receipts and Payments (SFR 19)

2008 £		2009	
		£	£
	RECEIPTS		
	Opening Balances:		
2,820,518	Cash in Bank	3,408,502	
35,943	Cash on Hand	38,900	
102,446	Other Funds	157,984	
2,958,907			3,605,386
3,115,939	From or on behalf of Patients		1,970,421
110,707	Interest on Patients' Funds Accounts		89,717
6,185,553	TOTAL RECEIPTS		5,665,524
	PAYMENTS		
2,580,167	To or on behalf of patients		2,093,550
	Closing Balances:		
3,408,502	Cash in Bank	3,339,725	
38,900	Cash on Hand	39,848	
157,984	Other Funds	192,401	
3,605,386	CLOSING BALANCE		3,571,974
6,185,553	TOTAL PAYMENTS		5,665,524
	Closing Balances accounted for as :		
	Patients' Personal Accounts		
3,599,223	Credit Balances	3,572,616	
(439)	Less: Debit Balances	(710)	
3,598,784			3,571,906
6,602	Interest received but not Credited		68
3,605,386	TOTAL CLOSING BALANCE AS ABOVE		3,571,974

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.

Director of Finance _____

Date 20 October 2009 _____

The abstract of Receipts and Payments was submitted and duly approved at the NHS Board Meeting on 20 October 2009

Chief Executive _____

Date 20 October 2009 _____

NHS Greater Glasgow and Clyde

Patients' Private Funds - Annual Accounts for the Year Ended 31 March 2009

Note 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 2008/09 NHS Unified Board Manual for Accounts.



KPMG LLP
191 West George St
Glasgow
G2 2LJ

20 October 2009

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 purpose of expressing an opinion as to whether the abstract presents fairly the financial position 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.

We also acknowledge as directors our responsibilities 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 abstract of payments and receipts of patients' private funds.

The Board understands that auditing standards require you to obtain representations from directors on matters that are material to your opinion. The Board understands that omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions of users taken on the basis of the abstract of receipts and payments. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.

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:

1. The abstract of receipts and payments referred to above, which have been prepared on a going concern basis, presents fairly the state of affairs of the patients' private funds and have been properly prepared in accordance with the NHS Unified Board Manual for Accounts.
2. All the accounting records have been made available to you for the purpose of your audit, and the full effect of all the transactions undertaken by the Board on behalf of patients' private funds have been properly reflected and recorded in the accounting records in accordance with agreements, including side agreements, amendments and oral agreements. All other records and related information, including minutes of all management, board and shareholders meetings and, when applicable, summaries of actions of meetings held after period end for which minutes have not yet been prepared, have been made available to you.

3. 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.
4. The Board:
 - (a) understands that the term "fraud" includes misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Misstatements resulting from fraudulent financial reporting involve intentional misstatements including omissions of amounts or disclosures in the abstract of payments and receipts to deceive users. Misstatements resulting from misappropriation of assets involve the theft of an entity's assets, often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.
 - (b) acknowledges responsibility for the design and implementation of internal control to prevent and detect fraud and error.
 - (c) has disclosed to you its knowledge of fraud or suspected fraud (including allegations of fraud) affecting the Board's abstract of receipt and payments of patients' private funds communicated by employees, former employees, regulators and others.
 - (d) Has disclosed to you the results of its assessment of the risk that the abstract receipts and payments of patients' private funds may be material misstated as a result of fraud.

This letter was tabled and agreed at the meeting of the Board of Directors on 20 October 2009.

Yours truly,

Robert Calderwood
Chief Executive
(Signed on behalf of the Board)