

Board Meeting

19 February 2013

Director of Finance

Board Paper No. 13/08

PATIENTS' PRIVATE FUNDS - ANNUAL ACCOUNTS 2011/12

RECOMMENDATIONS:

The Board is asked to:

1. Adopt and approve for submission to the Scottish Government Health Directorate the 2011/12;
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 2011/12;
 - 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 2011/12 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.

KPMG LLP
191 West George Street
Glasgow
G2 2LJ

19 February 2013

Dear Sirs

This representation letter is provided in connection with your audit of the abstract of receipts and payments of patients' private funds ("the abstract") administered by Greater Glasgow and Clyde NHS Board ("the Board"), for the year ended 31 March 2012, for the purpose of expressing an opinion as to whether the abstract of receipts and payments for the year ended 31 March 2012 has been properly prepared, in all material respects, in accordance with the requirements of the NHS Board Accounts Manual

The Board confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Board confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

Abstract

1. The Board has fulfilled its responsibilities for the preparation of the abstract which:
 - has been properly prepared, in all material respects, in accordance with the requirements of the NHS Board Accounts Manual

The abstract has been prepared on a going concern basis.

2. All events subsequent to the date of the abstract and for which IFRSs require adjustment or disclosure have been adjusted or disclosed.

Information provided

3. The Board has provided you with:
 - access to all information of which it is aware, that is relevant to the preparation of the abstract, such as records, documentation and other matters;
 - additional information that you have requested from the Board for the purpose of the audit; and
 - unrestricted access to persons within the Board from whom you determined it necessary to obtain audit evidence.
4. All transactions have been recorded in the accounting records and are reflected in the abstract.
5. The Board acknowledges its responsibility for such internal control as it determines necessary for the preparation of an abstract that is free from material misstatement, whether due to fraud or

error. In particular, the Board acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

The Board has disclosed to you the results of its assessment of the risk that the abstract may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.

6. The Board has disclosed to you all information in relation to:
 - (a) Fraud or suspected fraud that it is aware of and that affects the Board and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the abstract; and
 - (b) allegations of fraud, or suspected fraud, affecting the abstract communicated by employees, former employees, analysts, regulators or others.
7. The Board has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the abstract.

Yours faithfully,

Chief Executive, on behalf of the Board

Appendix A to the Board Representation Letter of Greater Glasgow and Clyde NHS Board: Definitions

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

IAS 1.7 and IAS 8.5 state the following:

Material omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. 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.

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in the financial statements to deceive users.

Misappropriation of assets involves the theft of an entity's assets. It is 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.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's abstract for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- (a) was available when financial statements for those periods were authorised for issue; and
- (b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".



NHS Greater Glasgow and Clyde
Patients' Private Funds - Annual Accounts
for the Year Ended 31 March 2012



NHS Greater Glasgow and Clyde

Patients' Private Funds - Annual Accounts for the Year Ended 31 March 2012

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NHS Greater Glasgow and Clyde

Patients' Private Funds - Annual Accounts for the Year Ended 31 March 2012

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 2011 to 31 March 2012, and in preparing the abstract of receipts and payments.

A O Robertson OBE

Chairman

P James

Director of Finance

19 February 2013

NHS Greater Glasgow and Clyde

Patients' Private Funds - Annual Accounts for the Year Ended 31 March 2012

Independent auditor's 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") for the year ended 31 March 2012 which has been prepared for the reasons and on the basis of the accounting policies set out in note 1 to the abstract.

Our report has been prepared for Greater Glasgow and Clyde NHS Board, as a body, solely in connection with the audit of the abstract. It has been released to Greater Glasgow and Clyde NHS Board 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 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 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, as a body, 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.

Respective responsibilities of board members and auditor

As explained more fully in the Statement of Board Members' Responsibilities on page 2, the board members are responsible for the preparation of the abstract in accordance with the requirements of the NHS Board Accounts Manual.

Our responsibility is to audit, and express an opinion on, the abstract in accordance with the terms of our engagement letter dated 4 July 2007 and having regard to International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the abstract

An audit involves obtaining evidence about the amounts and disclosures in the abstract sufficient to give reasonable assurance that the abstract is free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the circumstances and have been consistently applied and adequately disclosed and the reasonableness of significant accounting estimates made by the board members. In view of the purpose for which the abstract has been prepared, however, we did not assess the overall presentation of the abstract which would have been required if we were to express an audit opinion under International Standards on Auditing (UK and Ireland).

Opinion on abstract

In our opinion the abstract of receipts and payments for the year ended 31 March 2012 has been properly prepared, in all material respects, in accordance with the requirements of the NHS Board Accounts Manual.

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 2012

Abstract of Receipts and Payments (SFR 19)

2011 £		2012	
		£	£
	RECEIPTS		
	Opening Balances:		
3,591,280	Cash in Bank	429,110	
50,243	Cash on Hand	56,380	
182,697	Other Funds	3,173,085	
3,824,220			3,658,575
2,456,019	From or on behalf of Patients		2,769,530
16,949	Interest on Patients' Funds Accounts		21,509
6,297,188	TOTAL RECEIPTS		6,449,614
	PAYMENTS		
2,638,613	To or on behalf of patients		2,538,616
	Closing Balances:		
429,110	Cash in Bank	211,671	
56,380	Cash on Hand	50,367	
3,173,085	Other Funds	3,648,960	
3,658,575	CLOSING BALANCE		3,910,998
6,297,188	TOTAL PAYMENTS		6,449,614
	Closing Balances accounted for as :		
3,659,235	Patients' Personal Accounts		
(660)	Credit Balances	3,910,670	
	Less: Debit Balances	(1,223)	
3,658,575			3,909,447
-	Interest received but not Credited		1,551
3,658,575	TOTAL CLOSING BALANCE AS ABOVE		3,910,998

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 _____

The abstract of Receipts and Payments was submitted and duly approved at the NHS Board Meeting on 19 February 2013

Chief Executive _____

Date _____

NHS Greater Glasgow and Clyde

Patients' Private Funds - Annual Accounts for the Year Ended 31 March 2012

1. 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 2010/11 NHS Board Accounts Manual.