

NHS Greater Glasgow & Clyde	Paper No. 19/70
Meeting:	Board Meeting
Date of Meeting:	17th December 2019
Purpose of Paper:	Approval
Classification:	Board Official
Sponsoring Director:	Mr Mark White, Director of Finance

PATIENTS' PRIVATE FUNDS – ANNUAL ACCOUNTS 2018/19

Recommendations

Board members are asked to:

1. Adopt and approve for submission to the Scottish Government Health Directorate the 2018/19 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 2018/19;
 - ii) Chairman and Director of Finance to sign the Statement of Board Members' Responsibilities;
 - iii) Director of Finance to sign the Letter of Representation to KPMG LLP on behalf of the NHS Board.

Purpose of Paper

To formally adopt and approve the Board's Patients' Private Funds Annual Accounts 2018/19.

Key Issues to be Considered

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.

BOARD OFFICIAL

3. The 2018/19 Abstract of Receipts and Payments for NHS Greater Glasgow and Clyde is attached along with the Statement of Board Members' Responsibilities and Auditor's 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.

Areas Meeting or Exceeding the Target

The auditors have given an unqualified audit opinion on the Patients' Private Funds for the year ended 31 March 2019.

Areas for Improvement

None identified.

Any Patient Safety/Patient Experience Issues

None identified.

Any Financial Implications from this Paper

None identified.

Any Staffing Implications from this Paper

None identified.

Any Equality Implications from this Paper

None identified.

Any Health Inequalities Implications from this Paper

None identified.

Has a Risk Assessment been carried out for this issue? If yes, please detail the outcome

No risk assessment has been carried out.

Highlight the Corporate priorities to which your paper relates

None identified.

Mark White
Director of Finance
Tel No: 0141 201 4609
17 December 2019



**NHS Greater Glasgow and Clyde
Patients' Private Funds - Annual Accounts
for the Year Ended 31 March 2019**



NHS Greater Glasgow and Clyde

Patients' Private Funds - Annual Accounts for the Year Ended 31 March 2019

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NHS Greater Glasgow and Clyde

Patients' Private Funds - Annual Accounts for the Year Ended 31 March 2019

Statement of Board Members' responsibilities

The Scottish Government Health and Social Care Directorates require the members of the Board of NHS Greater Glasgow and Clyde ("the Board members") to prepare an abstract of receipts and payments of Patients' Private Funds for each financial year in accordance with the requirements of the 2018/19 NHS Board Accounts Manual, which fairly presents the state of the funds administered.

The Board members are 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 them to ensure that the statement complies with the requirements of the Scottish Government Health and Social Care Directorates given in the 2018/19 NHS Board Accounts Manual. They are also responsible for such internal control as they determine is necessary to enable the preparation of an abstract that is free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets held on behalf of patients and to prevent and detect fraud and other irregularities.

As Board members of NHS Greater Glasgow and Clyde, we confirm that the above responsibilities have been discharged during the period from 1 April 2018 to 31 March 2019, and in preparing the abstract of receipts and payments for that period.

J Brown CBE

Chairman

M White

Director of Finance

17 December 2019

NHS Greater Glasgow and Clyde

Patients' Private Funds - Annual Accounts for the Year Ended 31 March 2019

Independent auditor's report to the Board of NHS Great Glasgow and Clyde

Opinion

We have audited the attached abstract of receipts and payments of patients' private funds administered by the Board of NHS Greater Glasgow and Clyde ("the Board") for the year ended 31 March 2019.

In our opinion the abstract of receipts and payments for the year ended 31 March 2019 ("the Abstract") has been properly prepared, in all material respects, in accordance with the requirements of the 2018/19 NHS Board Accounts Manual.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800 and ISA (UK) 805, and the terms of our engagement letter dated 11 December 2014. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Board in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter – special purpose basis of preparation

The Scottish Government Health and Social Care Directorates require the Board of 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 2018/19 NHS Board Accounts Manual. The transactions and funds recorded in the Abstract are not those of the Board and do not appear in the Board's statutory accounts. Accordingly, the Board confirms that the going concern basis of accounting is not relevant to the preparation of the Abstract.

Board members' responsibilities

As explained more fully in their statement set out on page 3, the Board members are responsible for: the preparation of the Abstract in accordance with the requirements of the 2018/19 NHS Board Accounts Manual; and such internal control as they determine is necessary to enable the preparation of an Abstract that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the Abstract as a whole is free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the non-statutory accounts.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

Our report has been prepared for the Board, as a body, solely in accordance with the terms of our engagement. It has been released to the Board on the basis that our report shall not be copied, referred to or disclosed, in whole (save for the Board's own internal purposes) or in part, without our prior written consent.

Our report was designed to meet the agreed requirements of the Board determined by 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 the Board, as a body, for any purpose or in any context. Any party other than the 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 of liability in respect of our report to any other party.

KPMG LLP

Registered Auditor

319 St Vincent Street

Glasgow G2 5AS

NHS Greater Glasgow and Clyde

Patients' Private Funds - Annual Accounts for the Year Ended 31 March 2019

Abstract of Receipts and Payments (SFR 19)

2018 £		2019	
		£	£
	RECEIPTS		
	Opening Balances:		
287,595	Cash in Bank	207,781	
45,500	Cash on Hand	44,000	
3,166,068	Other Funds	3,176,173	
3,499,163			3,427,954
2,284,818	From or on behalf of Patients		1,904,011
6,870	Interest on Patients' Funds Accounts		17,481
5,790,851	TOTAL RECEIPTS		5,349,446
	PAYMENTS		
2,362,897	To or on behalf of patients		2,214,482
	Closing Balances:		
207,781	Cash in Bank	168,723	
44,000	Cash on Hand	44,000	
3,176,173	Other Funds	2,922,241	
3,427,954	CLOSING BALANCE		3,134,964
5,790,851	TOTAL PAYMENTS		5,349,446
	Closing Balances accounted for as :		
	Patients' Personal Accounts		
3,427,973	Credit Balances	3,135,053	
(19)	Less: Debit Balances	(89)	
3,427,954			3,134,964
-	Interest received but not Credited		-
3,427,954	TOTAL CLOSING BALANCE AS ABOVE		3,134,964

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 17-Dec-19 _____

The abstract of Receipts and Payments was submitted and duly approved at the NHS Board Meeting on 17 December 2019.

Chief Executive _____

Date 17-Dec-19 _____

NHS Greater Glasgow and Clyde

Patients' Private Funds - Annual Accounts for the Year Ended 31 March 2019

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 2018/19 NHS Board Accounts Manual.



KPMG LLP
319 St Vincent Street
Glasgow
G2 5AS

17 December 2019

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 2019, for the purpose of expressing an opinion as to whether the abstract of receipts and payments for the year ended 31 March 2019 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, as set out in the terms of the audit engagement dated 11 December 2014 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 for which IAS 10 Events after the reporting period requires adjustment or disclosure have been adjusted or disclosed.

Information provided

1. 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 Company from whom you determined it necessary to obtain audit evidence.

2. All transactions have been recorded in the accounting records and are reflected in the abstract.
3. The Board confirms the following:
 - i) 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.

- ii) 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 Company 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 Company's abstract communicated by employees, former employees, analysts, regulators or others.

In respect of the above, the Board acknowledges its responsibility for such internal control as it determines necessary for the preparation of the abstract that are 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.

4. 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.
5. The Board has disclosed to you and has appropriately accounted for and/or disclosed in the abstract all known actual or possible litigation and claims whose effects should be considered when preparing the abstract.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them and as defined in IAS 24.

6. The Board confirms that:
 - a) The abstract disclose all of the key risk factors, assumptions made and uncertainties surrounding the PPF's ability to continue as a going concern as required to provide a true and fair view.
 - b) No material events or conditions have been identified that may cast significant doubt on the ability of the Company to continue as a going concern.

This letter was tabled and agreed at the meeting of the Board of Directors on 17 December 2019.

Yours faithfully,

M White
Director of Finance
17 December 2019

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

Fraud

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

Related Party and Related Party Transaction

Related party:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the "reporting entity").

- a) A person or a close member of that person's family is related to a reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

- ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- iii. Both entities are joint ventures of the same third party.
- iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- vi. The entity is controlled, or jointly controlled by a person identified in (a).
- vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the

A reporting entity is exempt from the disclosure requirements of IAS 24.18 in relation to related party transactions and outstanding balances, including commitments, with:

- a) a government that has control or joint control of, or significant influence over, the reporting entity; and
- b) another entity that is a related party because the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.

Related party transaction:

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.