

29 June 2023

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Dear Sirs

NHS Somerset CCG Financial Statements for the period ended 30 June 2022

This representation letter is provided in connection with the audit of the financial statements of NHS Somerset CCG ('the CCG') for the period ended 30 June 2022 for the purpose of expressing an opinion as to whether the CCG financial statements give a true and fair view in accordance with International Financial Reporting Standards and the Department of Health and Social Care Group Accounting Manual 2022/23 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i. We have fulfilled our responsibilities for the preparation of the CCG's financial statements in accordance with International Financial Reporting Standards and the Department of Health and Social Care Group Accounting Manual 2022/23 ('the GAM'); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have fulfilled our responsibilities for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions in the financial statements conform to the authorities which govern them.
- iii. We have complied with the requirements of all statutory directions affecting the CCG and these matters have been appropriately reflected and disclosed in the financial statements.
- iv. The CCG has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- v. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

- vi. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include period end expenditure accruals. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the GAM and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with the GAM and adequately disclosed in the financial statements.
- vii. We acknowledge our responsibility to participate in the Department of Health and Social Care's agreement of balances exercise and have followed the requisite guidance and directions to do so. We are satisfied that the balances calculated for the CCG ensure the financial statements and consolidation schedules are free from material misstatement, including the impact of any disagreements.
- viii. Except as disclosed in the financial statements:
 - a. there are no unrecorded liabilities, actual or contingent
 - b. none of the assets of the CCG has been assigned, pledged or mortgaged
 - c. there are no material prior period charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- ix. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the GAM.
- x. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the GAM require adjustment or disclosure have been adjusted or disclosed.
- xi. We have only accrued for items received before the period-end.
- xii. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The CCG financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
- xiii. We have considered the unadjusted misstatements schedule included in your Audit Findings Report and attached at Appendix 1. We have not adjusted the financial statements for these misstatements brought to our attention as they are immaterial to the results of the CCG and its financial position at the period-end. The financial statements are free of material misstatements, including omissions.
- xiv. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xv. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

- xvi. We have updated our going concern assessment. We continue to believe that the CCG's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that:
- a. the nature of the CCG means that, notwithstanding any intention to liquidate the CCG or cease its operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements
 - b. the financial reporting framework permits the entry to prepare its financial statements on the basis of the presumption set out under a) above; and
 - c. the CCG's system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the CCG's ability to continue as a going concern need to be made in the financial statements.

Information Provided

- xvii. We have provided you with:
- a. access to all information of which we are aware that is relevant to the preparation of the CCG's financial statements such as records, documentation and other matters;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. access to persons within the CCG via remote arrangements, where/if necessary, from whom you determined it necessary to obtain audit evidence.
- xviii. We have communicated to you all deficiencies in internal control of which management is aware.
- xix. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xx. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xxi. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the CCG and involves:
- a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.
- xxii. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.

- xxiii. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxiv. We have disclosed to you the identity of the CCG's related parties and all the related party relationships and transactions of which we are aware.
- xxv. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Governance Statement

- xxvi. We are satisfied that the Governance Statement fairly reflects the CCG's risk assurance and governance framework, and we confirm that we are not aware of any significant risks that are not disclosed within the Governance Statement.

Annual Report

- xxvii. The disclosures within the Annual Report fairly reflect our understanding of the CCG's financial and operating performance over the period covered by the CCG's financial statements.

Approval

The approval of this letter of representation was minuted by the ICB's Board at its meeting on 29 June 2023.

Yours faithfully

Name.....

Position.....

Date.....

Name.....

Position.....

Date.....

Signed on behalf of the CCG

Appendix 1: Impact of unadjusted misstatements

Detail	Statement of Comprehensive Net Expenditure	Statement of Financial Position	Impact on adjusted net expenditure	Reason for not adjusting
Prescribing accrual under stated	Dr 'Purchase of goods and services' £334k	Cr 'Current trade and other payables' £334k	Cr £334k	Immaterial and hence the estimate was materially accurate.
Total	£334k expenditure understated	£334k payables understated	Cr £334k	