

29 June 2023

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Dear Sirs

NHS Somerset ICB
Financial Statements for the period ended 31 March 2023

This representation letter is provided in connection with the audit of the financial statements of NHS Somerset ICB ('the ICB') for the period ended 31 March 2023 for the purpose of expressing an opinion as to whether the ICB's 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 ICB'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 ICB and these matters have been appropriately reflected and disclosed in the financial statements.
- iv. The ICB 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 ICB 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 ICB has been assigned, pledged or mortgaged
 - c. there are no material prior year 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 ICB's 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. We have not adjusted the financial statements for these misstatements brought to our attention as they are immaterial to the results of the ICB 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 ICB'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 ICB means that, notwithstanding any intention to liquidate the ICB 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 entity to prepare its financial statements on the basis of the presumption set out under a) above; and
- c. the ICB'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 ICB'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 ICB'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 ICB 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 ICB 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 ICB'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 ICB'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 ICB's financial and operating performance over the period covered by the ICB'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 ICB

Detail	Statement of Comprehensive Net Expenditure	Statement of Financial Position	Reason for not adjusting
<p>In 2022/23 the value of the prescribing accrual for February and March 2023 was £16,941,209. Following the submission of the draft financial statements the actual February and March prescribing spend data was received by the ICB. The actual figures showed expenditure of £16,940,846, which identified an under accrual of £0.363m.</p> <p>Our work on the 3-month prescribing accrual identified an under accrual of £0.334m.</p>	Dr 'Purchase of goods and services' £0.363m	Cr 'Current trade and other payables' £0.363m	Immaterial difference and hence the estimate was materially accurate.
Total impact	£0.363m expenditure understatement	£0.363m payables understatement	