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Dear Member

Conclusion of pending matters– Audit Completion Report NHS Northumberland Clinical Commissioning Group 2013/14 audit

As required by International Standards on Auditing (UK and Ireland), we are writing to confirm matters arising that were marked as outstanding within our Audit Completion Report to be presented on 4 June 2014.

The outstanding matters that we described in our Audit Completion Report and the conclusions reached are detailed in the table below.

Matter	Conclusion reached
Remuneration Report	Work is now complete. The remuneration report has been amended for: <ul style="list-style-type: none"> • senior officer pensions benefits table for officers originally excluded • CETV for two senior officers has been amended following receipt from the Pensions Agency of updated figures. Senior Officer salary; and • fees bandings and taxable benefits columns amended to take account of pay arrears and removal of NI.
Review of revised financial statements and Annual Report	Drafts of both have been reviewed as the audit has progressed; we will carry out a very final review prior to sign-off to ensure all issues have been addressed.
Annual Governance Statement (AGS)	We have completed our review of the final revised AGS. Guidance was issued on 2nd June in respect of the wording in respect of compliance with the UK Code of Corporate Governance (referenced in the AGS). This guidance was to change the template wording from 'comply with' the Code to 'have regard to' (or something similar) the Code.
Whole of Government Accounts	Work is substantially complete subject to our review of the very final revised WGA template.

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Matter	Conclusion reached
<p>Note 10 Cash and cash equivalents - Government Banking Service</p>	<p>The Audit Completion Report already issued identified a misstatement in the SoFP relating to two bank balances in the cash and cash equivalents amounts. Guidance has been received from the Department of Health on 3 June in respect of the treatment of balances held with the Government Banking Service. This now confirms the CCG's original treatment so the misstatement can now be deleted from the report and amounts shown in the SoFP have now to be netted off.</p>
<p>Continuing health care legacy balances (financial statements disclosure Note 13 - provisions) – late addition of material disclosure to the provisions note following NHSE guidance issued</p>	<p>The CCG have included disclosure of continuing health care liabilities of £3,197k in Note 12 – Provisions.</p> <p>We have been provided with direct confirmation from NHS England (via the Audit Commission) for this balance.</p> <p>As per Note 12, the disclosed liabilities are not included in the actual Statement of Financial Position as NHS England has assumed responsibility for them.</p> <p>We have also included a specific representation on these liabilities in the letter of representation we seek from management.</p>
<p>Completion of our post balance sheet events review, and review and closure processes</p>	<p>We will discuss subsequent events with management and review available post balance sheet information at the point we are due to sign the audit opinion.</p> <p>Our review and closure processes are on track, and will be ongoing up until the point we are due to sign the audit opinion.</p>

If you wish to discuss these or any other points then please do not hesitate to contact me.

Yours faithfully



Cameron Waddell
 Director and Engagement Lead
 Mazars LLP