

Audit Committee and Governing Body Members
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22 May 2019

Dear Member

Conclusion of pending matters– Audit Completion Report NHS Sunderland Clinical Commissioning Group 2018/19 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 presented on 21 May 2019. The outstanding matters that we described in our Audit Completion Report and the conclusions reached are detailed in the table below.

The summary of misstatements reported in our earlier Audit Completion Report is included as an appendix to this letter for completeness.

Matter	Conclusion reached
Cut-off testing of receipts and payments	There are no new matters arising which we are required to report to you.
Consideration of service auditor reports	There are no new matters arising which we are required to report to you.
Agreement of balances	There are no new matters arising which we are required to report to you.
Consolidation schedules	There are no new matters arising which we are required to report to you; the final revised financial statements are consistent with the revised consolidation schedules other than the financial instruments mapping error in the consolidation schedules, as referenced in the summary of misstatements.
Remuneration and Staff report	There are no new matters arising which we are required to report to you.
Completion of our post balance sheet events review, review and closure processes	We discussed subsequent events with management and reviewed available post balance sheet information at the point we signed the audit opinion. There are no new matters arising which we are required to report to you.

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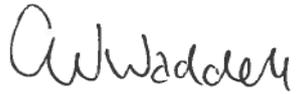
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If you wish to discuss these or any other points then please do not hesitate to contact us.

Yours faithfully

A handwritten signature in black ink, appearing to read 'C Waddell', written in a cursive style.

Cameron Waddell
Partner and Engagement Lead
Mazars LLP

Appendix: summary of misstatements

We set out below the misstatements identified for adjustment during the course of the audit, above the level of trivial threshold of £0.229 million.

The first table outlines the misstatements that have been adjusted by management during the course of the audit.

There are no misstatements that were identified during the course of our audit which management has assessed as not being material either individually or in aggregate to the financial statements and does not currently plan to adjust.

Adjusted misstatements 2018/19

		SOCNE		SOFP	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: Financial liabilities 'trade and other payables with other DHSC group bodies'			3,315	3,315
	Cr: Financial liabilities 'trade and other payables with external bodies'				

Being a mapping error in the codes in the template issued by NHSE. No impact on the totals; amendment between lines of the financial instruments disclosure note only.

Disclosure amendments: adjusted disclosure amendments

Amendments have been made to the financial statements following our audit, including the areas summarised below.

- Various minor presentational points.
- Note 3.5 pension costs: update of the narrative in this note, including to reflect the latest actuarial valuation.
- Note 4 operating costs: addition of narrative to clarify the value of leases included in the premises line as required.
Also amendment to include accrued expenditure for the Mental Health Investment Standard mandated work 'other non-statutory audit expenditure'.
Also amendment to external audit fees disclosed.
- Note 10 financial instruments: amendment to include comparators along with narrative to explain the basis of disclosure given the underlying accounting standard changes.
- Note 13 related party transactions: minor amendments to the narrative and also to several disclosures.

- Remuneration and Staff report - amendments made as summarised below.
 - Deduction of employee contributions, impacting on the disclosures in the pensions table ('real increase in Cash Equivalent Transfer Values' (CETVs) and also the salaries table ('all pension related benefits').
 - Inclusion of narrative to clarify that the benefits and associated CETVs calculations in the tables do not include any potential impact of the McCloud judgement (referenced in the revised pension costs note).
 - Comparator salaries table ('all pension related benefits') amended so that it was consistent with the prior year audited report.
 - Pay multiples: amendment to calculations to include benefits in kind (current and prior year figures).