NHS

Wiltshire Health and Care LLP Board Papers

To sign off Accounts

21 June 2022

Wiltshire
HEALTH AND CARE

Working in partnership
Great Western Hospitals NHS Foundation Trust
Royal United Hospitals Bath NHS Foundation Trust
Salisbury NHS Foundation Trust

Wiltshire Health and Care Board Meeting - Final Accounts sign off
Agenda

Venue:	MS Teams
Date:	Tuesday 21 June 2022
Time:	08:00-08:30

WHC Board Members in attendance		
Stephen Ladyman	Chair of Wiltshire Health and Care (Chair)	SL
Richard Barritt	Non-Executive Member, Patient Voice	RB
Martyn Burke	Non-Executive Member, Finance and Audit	MB
Lisa Thomas	Non-Executive Member, Nominated by Salisbury Foundation Trust (SFT) Board	LT
Felicity Taylor-Drewe	Non-Executive Member, Nominated by Great Western Hospitals NHS Foundation Trust (GWH) Board	FTD
Bernie Marden	Non-Executive Member, Nominated by Royal United Hospitals NHS Foundation Trust (RUH) Board	BM
Douglas Blair	Executive Member, Managing Director	DB
Annika Carroll	Executive Member, Director of Finance	AC
Sara Quarrie	Executive Member, Director of Quality, Professions and Workforce	SQ
Lisa Hodgson	Executive Member, Chief Operating Officer	LH

Also In Attendance		
Becky Watson	Corporate Officer (minutes)	BW
Gemma Kelly	Corporate Governance Lead/Company Secretary	GK

Item No.	Agenda Item	Presenter	Verbal/ Paper	Published/ Unpublished	Information/ Discussion/ Decision/ Approval
1.	Welcome, Introductions and Apologies	Chair	Verbal	Published	Information
2.	Declarations and Conflicts of Interests	Chair	Verbal	Published	Information
3.	Final Accounts sign off (including recommendation from Audit Committee for the adoption of the Financial Statements 21/22	AC/MB	Paper	Published	Decision
4.	Any other Business	Chair	Verbal	Published	Information
5.	Date of Next Meeting **<u>Board Workshop and Meeting</u>** Friday 24 June 2022 13:00-16:00 The Angel Hotel (Monkton Room) **<u>Next Full Board Meeting:</u>** Friday 9 September 2022 13:30-16:30 Bevan Board Room, Jenner House				

Wiltshire HEALTH AND CARE

NHS

Wiltshire Health and Care ("WHC")
Board Meeting

Item 1

Welcome, Introductions, and Apologies

VERBAL

Wiltshire HEALTH AND CARE

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Wiltshire Health and Care ("WHC")
Board Meeting

Item 2

Declaration and Conflicts of Interests

VERBAL

Wiltshire HEALTH AND CARE

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Wiltshire Health and Care ("WHC")
Board Meeting

Item 3

Final Accounts sign off

PAPER

Wiltshire Health and Care Board	For decision
Subject:	**Audit Committee Highlight Report & Recommendation for the Adoption of the Financial Statements 21/22**
Date of Meeting:	21 June 2022
Author:	Martyn Burke – Chair of Audit Committee

1 Introduction

The Audit Committee (AC) is a sub-committee of Wiltshire Health and Care's (WHC) Board. This paper summarises the key issues considered by the AC on 14 June 2022. The AC received satisfactory assurances from our year end processes and formally recommends the approval and adoption of the 21/22 Annual Financial Statements in advance of the NHS filing deadline (22nd June). The AC also endorses the Board (MD) to sign the standard letters of representation.

2 Advise

2.1 Year End Reporting & Audit of the Financial Statements 2021/22

The AC received and reviewed the financial statements, management representation letters to the auditors and KPMG's External Audit ISA 260 report opinion (unqualified). The AC also simultaneously received the annual report and opinion from the Internal Auditor on the adequacy of the control environment and the annual report of the Counter Fraud specialist. In line with best practice the AC members met privately with KPMG to receive opinions in absentia of executives. Sentiment on the rigeur of the audit and co-operation with the Finance team was very positive.

The AC was pleased to see that from the external audit process - no errors were highlighted, no actual or suspected fraud had been detected, that there were no points of disagreement or resourcing difficulties and that the accounting conventions had been followed consistently and correctly. Only one adjusting item had needed a re-statement in its classification but with a net nil impact on the Balance Sheet (related to the gross valuation of pension liabilities). The external auditors confirmed that no significant findings had arisen from their review of the significant risk areas identified in the plan (fraudulent expenditure recognition/management override).

The AC and the external auditors were sufficiently reassured that WH&C remains a going concern – evident in the operating profit achieved in 21/22 (£169k) positive net asset position (£484k) and strong cash balances (£5.5m) coupled with assurances on medium term cash flows and ongoing financial performance. The supporting BANES letter of intent on the contractual extension for WHC to March 2024 was also noted. KPMG therefore confirmed that no specific representations in addition to those normally required will be asked for from management and therefore the AC recommends that the representation letters can be signed.

It was confirmed that the accounts have been prepared on a consistent basis with no changes to accounting policies and remains aligned to the LLP requirements, and exemptions, to comply with UK GAAP specifically FRS102 LLP SORP and the Companies Act 2006. The consolidated group accounts will be IFRS16 aligned with circa £1.6m of right of use assets being recognised included property and vehicle leases with term expiry aligned to our contract for services.

The complete accounts, including the members report, carbon disclosure and audit opinion were reviewed and received by the AC who recognised the statements as a true and fair view and

therefore approved these to progress for formal adoption at Board on 21st June. The AC thanked the Finance Director and the Audit teams for their work.

2.2 Internal Audit Annual Report 21/22 and Annual Statement of Assurance

The AC received BDO's annual assurance report and statement. During the year 21/22 the internal audit team sought assurances on the internal controls, governance and risk management disciplines in the following areas;

- Sickness Management (Moderate Design/Limited Effectiveness),
- Key Financial Systems AP (Substantial Design/Substantial Effectiveness),
- E-Rostering (Substantial Design/Moderate Effectiveness)
- GDPR (Moderate Design/Moderate Effectiveness)

The ensuing findings and recommendations for improvement were provided promptly to management and the AC accordingly. The auditors had no restrictions placed upon them and complied with Public sector Internal Audit standards and had received positive quality assurance feedback.

Overall the Internal Auditor has provided a Moderate assurance that there is a sound system of controls designed to meet the LLP's objectives and that controls are applied consistently (this is a second tier rating after 'substantial' and ranks above 'Limited' or 'None') . An extract of Key highlights noted by the Internal Auditor in forming their opinion were as follows:-

- The Key Financial Systems audit provided substantial assurance (design & effectiveness)
- A robust financial performance yielding a surplus of £169k
- The LLP has a good track record of implementing auditor recommendations and monitoring progress (nb achieving an impressive 93% closure rate on audit actions)
- The Audit committee provides a proper focus on governance, risk and controls and members have received risk based training from BDO
- The limited assurance report for sickness was requested by management to address suspected issues. The audit identifies clarity of actions for improvement

The AC thanked Greg Rubins, departing partner who is handing over to Adam Spires at BDO.

2.3 Counter Fraud Annual Report 21/22

The AC received the annual counter fraud report which rated WHC as Green overall against the NHSCFA requirements with only one amber (widespread policy awareness) and no red rated items. All counter fraud activity – proactive and reactive - has been routinely monitored by the AC. The counter fraud survey identified 82% of respondents being cognisant of our Fraud Policy and 68% of colleagues had received training awareness with 90% aware of their role to combat fraud. During the year the fraud risk register had been reviewed and updated in line with national guidance. Primary fraud risks remain as Cyber fraud, procurement and invoicing fraud. No material fraud has been identified in WHC but we remain vigilant particularly in light of the challenging economic conditions.

2.4 Risk Review

The AC continues to routinely review the risk assurance processes in WH&C and in June reviewed again the current 12+ risks and also debated the emerging risks (Co2 and insulin). The AC noted that whilst the volume of risk items had fallen there were more 12+ level risks being managed – doubling to 6 items; Hardware, Cyber, IG Compliance, Demand/Capacity, Erratic surges and video consultation solutions. Some of these newer items require improved clarity of actions.

2.5 Deep Dive – Colleague Safety at Work (in our Buildings/Estate and Lone Working)

We continue our series of deep dives which have provided insightful and yielded actions for improvement. During the year we have reviewed Covid 19 Learnings, Financial Management disciplines, Procurement and Training & Development. At the June AC Victoria Hamilton and Jo Woodward shared the assurance process to protect the safety of our colleagues. The AC requested the exec consider how to enhance overt visibility of assurance regimes linked to our Estate and debated the effectiveness of lone worker devices/first aid kit provision. Format needs standardising.

2.6 The Annual Quality Account Report 21/22

The Quality Account was reviewed, discussed and ultimately approved by the AC to progress to Board in advance of the filing deadline on 30th June. It was accepted that the quality account represented a comprehensive and transparent overview of quality performance in 21/22, a year still dominated by covid impacts, and gave good outline of the prioritised intentions to continuously improve our service quality in future. It was recognised that there had been engagement with the Exec and other third party stakeholders in compiling this report. The AC enquired about easy read formatting capability.

AC will continue to seek assurance on quality matters via routine monitoring of the minutes, receiving regular updates from QAC throughout the year, undertaking any deep dives and directing internal audit activity as necessary in order to ensure processes for control and risk management are adequate.

3 Alert

3.1 There are no alerts.

4 Action

4.1 Following a comprehensive programme of work that has yielded satisfactory assurances from the External Auditor, Internal Auditor and Counter Fraud specialist - coupled with the AC's own review of the statements and oversight - the AC recommends that the Board approves the adoption of the annual financial statements and reports.

4.2 The Board is recommended to approve the MD signs the standard letters of representation.

4.3 The Board is requested to note the content of this report.

5 Date of next meeting

5.1 The next meeting of the Audit Committee is on 18 October 2022

Wiltshire HEALTH AND CARE

NHS

Rees Batley
Director
KPMG LLP
66 Queen Square
Bristol
BS1 4BE

Chippenham Community Hospital
Rowden Hill
Chippenham
Wiltshire
SN15 2AJ

22 June 2022,

Dear Rees,

This representation letter is provided in connection with your audit of the financial statements of Wiltshire Health & Care LLP ("the LLP"), for the year ended 31 March 2022, for the purpose of expressing an opinion:

i. as to whether these financial statements give a true and fair view of the state of the LLP's affairs as at 31 March 2022 and of the LLP's position at the financial year then ended;
ii. whether the financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice (including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"); and
iii. whether the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

These financial statements comprise the Balance Sheet, the Profit and Loss Account and Other Comprehensive Income, the Cash Flow Statement and notes, comprising a summary of significant accounting policies and other explanatory notes.

The Members confirm that the LLP meets the definition of a qualifying entity and meets the criteria for applying the disclosure exemptions with FRS 102.

The Members confirm that the representations they make in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Members confirm that, to the best of their knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing themselves:

Financial statements

1. The Members have fulfilled their responsibilities, as set out in the terms of the audit engagement dated 28 January 2021, for the preparation of financial statements that:

    i. give a true and fair view of the state of the Company's affairs as at the end of its financial year and of its position for that financial year;
    ii. have been properly prepared in accordance with UK Generally Accepted Accounting Practice (including FRS 102); and

iii. have been prepared in accordance with the requirements of the Companies Act 2006.

The financial statements have been prepared on a going concern basis.

2. Measurement methods and significant assumptions used by the Members in making accounting estimates, including those measured at fair value, are reasonable.

3. All events subsequent to the date of the financial statements and for which section 32 of FRS 102 requires adjustment or disclosure have been adjusted or disclosed.

4. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter.

Information provided

5. The Members have provided you with:

   - access to all information of which it is aware, that is relevant to the preparation of the financial statements, 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 LLP from whom you determined it necessary to obtain audit evidence.

6. All transactions have been recorded in the accounting records and are reflected in the financial statements.

7. The Members confirm the following:

   i) The Members have disclosed to you the results of their assessment of the risk that the financial statements 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 Members have disclosed to you all information in relation to:

   a) Fraud or suspected fraud that they are aware of and that affects the LLP and involves:
      - management;
      - employees who have significant roles in internal control; or
      - others where the fraud could have a material effect on the financial statements; and

b) allegations of fraud, or suspected fraud, affecting the LLP's financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, the Members acknowledge their responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Members acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

8. The Members 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 the financial statements.

9. The Members have disclosed to you and have appropriately accounted for and/or disclosed in the financial statements, in accordance with section 21 of FRS 102 all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

10. The Members has disclosed to you the identity of the LLP's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with section 33 of FRS 102.

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 FRS 102.

11. The Members confirm that:

    a) The financial statements disclose all of the key risk factors, assumptions made and uncertainties surrounding the Company's ability to continue as a going concern as required to provide a true and fair view.
    b) No events or circumstances 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 Members on 21 June 2022.

Yours faithfully,

Douglas Blair
Managing Director

Appendix to the Board Representation Letter of Wiltshire Health & Care LLP: Definitions

Criteria for applying the disclosure exemptions within FRS 102

- The LLP discloses in the notes to its financial statements:
  a) A brief narrative summary of the disclosure exemptions adopted; and
  b) The name of the parent of the group in whose consolidated financial statements its financial statements are consolidated, and from where those financial statements may be obtained

Financial Statements

A complete set of financial statements (before taking advantage of any of the FRS 102 exemptions) comprises:

- *a Balance Sheet as at the end of the period;*
- *a Profit and Loss account for the period;*
- *a statement of other comprehensive income for the period;*
- *a statement of changes in equity for the period;*
- *a cash flow statement for the period*
- *notes, comprising a summary of significant accounting policies and other explanatory information.*

FRS 102 permits an entity either to present (i) separately a Profit and Loss account and a Statement of Other Comprehensive Income or (ii) a combined Profit and Loss Account and Other Comprehensive Income.

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

FRS 102 states that:

Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or combination of both, could be the determining factor.

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".

Qualifying Entity

A member of a group where the parent of that group prepares publicly available consolidated financial statements which are intended to give a true and fair view (of the assets, liabilities, financial position and profit or loss) and that member is included in the consolidation by means of full consolidation.

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 FRS 102 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 apply:
   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 reporting 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.

Year end report 2021/22

Wiltshire Health and Care LLP

14 June 2022

I confirm that this is the final version of our ISA 260 Audit Memorandum relating to our audit of the 2021/22 financial statements for Wiltshire Health and Care LLP. This document was discussed and approved by the Audit Committee on 14 June 2022.

…….
Rees Batley

Director, for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square, Bristol, BS1 4BE

XX June 2022

Our audit opinions and conclusions: Financial Statements: unqualified

Introduction

To the Audit Committee of Wiltshire Health and Care LLP

We are pleased to have the opportunity to meet with you on 14 June 2022 to discuss the results of our audit of the financial statements of Wiltshire Health and Care LLP (the 'LLP'), as at and for the year ended 31 March 2022.

We are providing this report in advance of our meeting to enable you to consider our findings and hence enhance the quality of our discussions. This report should be read in conjunction with our audit plan and strategy report, presented in March 2022. We will be pleased to elaborate on the matters covered in this report when we meet.

Our audit is substantially complete. There have been no significant changes to our audit plan and strategy. Subject to your approval of the financial statements, we expect to be in a position to sign our audit opinion prior to the deadline of 22 June 2022, provided that the outstanding matters noted on page3 of this report are satisfactorily resolved.

We draw your attention to the important notice on page 3 of this report, which explains:

- The purpose of this report;
- Limitations on work performed; and
- Restrictions on distribution of this report.

Yours faithfully,

Rees Batley

How we have delivered audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion. Some of the ways in which we drive audit quality are demonstrated throughout our report and include:

Contents

Important notice

This report is presented under the terms of our audit engagement letter.

— Circulation of this report is restricted.

— The content of this report is based solely on the procedures necessary for our audit.

This Report has been prepared for the LLP's Board, in order to communicate matters of interest as required by ISAs (UK), and other matters coming to our attention during our audit work that we consider might be of interest, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone (beyond that which we may have as auditors) for this Report, or for the opinions we have formed in respect of this Report.

Purpose of this report

This Report has been prepared in connection with our audit of the financial statements of Wiltshire Health and Care LLP (the 'LLP'), prepared in accordance with FRS102 LLP SORP, as at and for the year ended 31 March 2022. This report summarises the key issues identified during our audit but does not repeat matters we have previously communicated to you.

Limitations on work performed

This Report is separate from our audit report and does not provide an additional opinion on the LLP's financial statements, nor does it add to or extend or alter our duties and responsibilities as auditors. We have not designed or performed procedures outside those required of us as auditors for the purpose of identifying or communicating any of the matters covered by this Report.

The matters reported are based on the knowledge gained as a result of being your auditors. We have not verified the accuracy or completeness of any such information other than in connection with and to the extent required for the purposes of our audit.

Status of our audit

Our audit is not yet complete and matters communicated in this report may change pending signature of our audit report. We will provide an oral update on the status of our audit at the Audit Committee meeting but would highlight the following work is still outstanding:

- Finalisation of Journals testing for identified sample of high risk journals;
- Resolution of final queries relating to IFRS 16;
- Completion of final procedures in relation to Going Concern;
- Confirmation of rationale for AoB differences and agreement to supporting documentation;
- Final review and follow up queries of work, including over accruals;
- Receipt of and final review of latest draft of financial statements and management representation letter

Restrictions on distribution

The report is provided on the basis that it is only for the information of the LLP Board; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we accept no responsibility to any third party in relation to it.

Financial statements audit - our summary findings

Significant audit risks

Page 5-8

Significant audit risk	Risk change (since PY)	Our findings
Fraud risk from expenditure recognition	Stable	Based on the work completed to date, the results of our testing were satisfactory. We have not identified any issues with the expenditure recognition.
Management Override of Controls	Stable	We have not identified any instances of override of control from the testing completed to date.

Representations

You are required to provide us with representations on specific matters such as your going concern assertion. We have included a draft of this representation letter to the within our AC papers. We draw your attention to the requirement in our representation letter for you to confirm to us that you have disclosed all relevant related parties to us. We are not asking management to provide any specific representations.

NAO Reporting

We are required to report on differences over £300,000 between the financial statements and the consolidation schedule to the NAO, as well as reporting on differences over £1 million between FRS 102 LLP SORP and IFRS DHSC GAM to the DHSC. We will report on the IFRS 16 adjustments as part of this reporting, as this is correctly excluded from the LLP accounts, but included within the DHSC group position.

We are in process of finalising our work in relation to the Whole of Government Accounts, which is another aspect of our reporting to the NAO. We do not intend to report any issues to the NAO regarding the Whole of Government Accounts submission, made through the submission of the summarisation schedules to Department of Health and Social Care.

We thank the finance team for their co-operation throughout the visit which allowed the audit to progress and complete within the allocated timeframe.

Uncorrected audit misstatements

Page 15

We have not identified any unadjusted audit differences in our work to date that impact on the reported financial performance of the LLP.

We have identified one adjusted difference, though this does not have an impact on the Income statement, or net assets.

Number of Control deficiencies

Page 14

Significant control deficiencies	0
Other control deficiencies	0
Prior year control deficiencies remediated	0

No recommendations have been raised at this stage of the audit. There are no open recommendations from the previous period.

Financial statements audit - significant risks

Fraudulent non-pay expenditure recognition

Significant audit risk

The risk

- The LLP has a fixed budget as part of the system envelope. Under continued operational pressures and system pressures meeting this target is forecast to be challenging. This creates an incentive for management to understate expenditure to achieve the required the position.
- We consider this would be most likely to occur through understatement of accruals at the end of the year to defer expenditure to the following year. There is not considered to be a risk associated with depreciation or payroll costs.
- Due to the uncertain nature of NHS funding for the year and for 2022-23 we will need to keep this area of the audit under close scrutiny.

Response

Our review of heightened fraudulent expenditure recognition focused on non-pay and non-depreciation operating expenses, in particular we completed the following procedures:

- We assessed the design and implementation of controls for reviewing manual expenditure accruals at the end of the year;
- We inspected invoices for material expenditure, in the period immediately following 31 March 2022, to determine whether expenditure has been recognised in the correct accounting period;
- We selected a sample of year end accruals and inspected supporting evidence to assess whether the accruals have been accurately recorded, or other supporting documentation and evidence where the amount has not been paid;
- We compared the items that were accrued at 31 March 2021 to those accrued at 31 March 2022 in order to assess whether any items had significantly decreased, to ensure were inappropriately accrued for;
- We inspected journals posted as part of the year end close procedures that increase the level of expenditure recorded in order to critically assess whether there was an appropriate basis for posting the journal and the value could be agreed to supporting evidence; and
- We assessed the outcome of the agreement of balances exercise with CCGs and other NHS providers and compared the values reported to the value of expenditure captured in the financial statements. We will seek explanations for any variances over £90k, and all balances in dispute.

Outcome from audit work

We note the LLP has high level controls in place designed to detect misstatement of accruals (such as monthly review of management accounts) and we understand year on year comparisons are undertaken as part of preparation of the financial statements. However these controls are not formally documented, and/or lack the detailed precision to be required to meet the management review control requirements as defined by Auditing Standards. As such we have not been able to confirm the operating effectiveness of these controls, and performed a substantive approach to our testing. We are not raising a formal control observation in this regard, and consider the LLPs existing controls to be proportionate to address the associated risk, as accruals is associated with our significant risk, we are required to bring this matter to your attention.

We are currently finalising our testing over accruals, however, no issues have been noted with the results of the testing completed to date.

Financial statements audit - significant risks

Management override of controls

Significant audit risk

The risk

- Professional standards require us to communicate the fraud risk from management override of controls as significant.
- Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- We have not identified any specific additional risks of management override relating to this audit.

Response

Our audit methodology incorporates the risk of management override as a default significant risk.

- In line with our methodology, we evaluated the design and implementation of controls over journal entries and post-closing adjustments.
- We assessed the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.
- We assessed the appropriateness of the accounting for significant transactions that are outside the component's normal course of business, or are otherwise unusual.
- We assessed the full population of relevant journal entries to identify journals displaying high risk characteristics. We followed up each of these journals in order to assess the appropriateness and accuracy of the transaction posted.

Outcome from audit work

We tested the design and implementation of the authorisation process for posting manual journals, with no issues noted.

We did not identify any significant unusual transactions

Our final testing over the identified high risk journals is ongoing, however, the results of our testing to date have been satisfactory.

Financial statements audit - significant risks

IFRS16 Implementation

Other audit risk

The risk

- The delayed adoption of IFRS16 in the NHS has been confirmed as taking place from 1 April 2022. Whilst the LLP does not prepare statutory financial statements under IFRS, the financial results are consolidated into the wider DHSC Group financial statements. The LLP are therefore required to submit an IFRS16 impact assessment to DHSC.
- The main source of risk is that lease terms and lease payments are inappropriately determined. This is a particular risk for arrangements which are not subject to a formal contract such as property agreements with NHS Property Services.
- There is also a risk that the discount rate used to measure the lease liability is inappropriately determined or that a lease liability is not appropriately remeasured when reassessment is required.

Response

We evaluated the LLP's process for reviewing current arrangements and contracts to ascertain whether there is a lease falling within the remit of the standard;

We tested the completeness and accuracy of the data collected by the LLP and used as part of the preparation of the disclosure note;

We critically assessed the key decisions made about material contracts such as property leases, such as lease terms where not clear;

We reviewed the discount rate used in the calculation of the lease liability; and

We reperformed the calculation of the lease liability and right of use asset for a sample of leases.

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Outcome from audit work

The LLP does not report under IFRS therefore IFRS 16 will not impact the financial statements. The results of our testing over the assessment that the LLP has completed for the DSHC consolidation have been satisfactory.

Financial statements audit - other matters

Compliance with ISA 260

We are required under ISA 260 to communicate to you any matters specifically required by other auditing standards to be communicated to those charged with governance; and any other audit matters of governance interest. ISA 260 also requires us to communicate to you any information that we believe is relevant to understanding our rationale and the supporting evidence for the exercise of our professional judgement. This includes our view of: Business risks relevant to the financial reporting objectives, the application of materiality and the impact of our judgements on these areas for the overall audit strategy and audit plan; significant accounting policies and any other matters identified during the course of the audit. We have not identified any other matters to specifically report.

Members report

We are in progress of reading the contents of the Members Report (including the Members Report and Streamlined Energy and Carbon Report Directors). We have checked compliance with the LLP SORP. Based on the work performed:

- We have not identified any inconsistencies between the contents of the Reports and the financial statements; and
- We have not identified any material inconsistencies between the knowledge acquired during our audit and the directors' statements. As Directors you confirm that you consider that the Members report and accounts taken as a whole are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the LLP's performance, business model and strategy.

Appendix

Contents

Appendix One

Required communications with the Audit Committee

Type		Response
Our draft management representation letter	OK	We have not requested any specific representations in addition to those areas normally covered by our standard representation letter for the year ended 31 March 2022.
Adjusted audit differences	OK	There is one adjusted audit difference. See page 12
Unadjusted audit differences	OK	There are no unadjusted audit differences.
Related parties	OK	There were no significant matters that arose during the audit in connection with the entity's related parties.
Other matters warranting attention by the Audit Committee	OK	There were no matters to report arising from the audit that, in our professional judgment, are significant to the oversight of the financial reporting process.
Control deficiencies	OK	We communicated to management in writing all deficiencies in internal control over financial reporting of a lesser magnitude than significant deficiencies identified during the audit that had not previously been communicated during a meeting on 1 June 2022.
Actual or suspected fraud, noncompliance with laws or regulations or illegal acts	OK	No actual or suspected fraud involving management, employees with significant roles in internal control, or where fraud results in a material misstatement in the financial statements was identified during the audit.
Significant difficulties	OK	No significant difficulties were encountered during the audit.
Modifications to auditor's report	OK	No modifications required.

Appendix One

Required communications with the Audit Committee

Type		Response
Disagreements with management or scope limitations	OK	The engagement team had no disagreements with management and no scope limitations were imposed by management during the audit.
Other information		We are currently finalising our review of the Members Report.
Breaches of independence	OK	No matters to report. The engagement team have complied with relevant ethical requirements regarding independence.
Accounting practices	OK	Over the course of our audit, we have evaluated the appropriateness of the LLP's accounting policies, accounting estimates and financial statement disclosures. In general, we believe these are appropriate.
Significant matters discussed or subject to correspondence with management	OK	The significant matters arising from the audit were discussed, or subject to correspondence, with management.
Certify the audit as complete	OK	We are required to certify the audit as complete when we have fulfilled all of our responsibilities relating to the accounts and use of resources as well as those other matters highlighted above.
Standard representations requested	OK	We have requested the standard letter of management representation.
Our declaration of independence	OK	ISA 260 also requires us to make an annual declaration that we are in a position of sufficient independence and objectivity to act as your auditors, which we completed at planning and no further work or matters have arisen since then. No matters to report. The engagement team and others in the firm, as appropriate, have complied with relevant ethical requirements regarding independence.
Provide a statement to the NAO on your consolidation schedule	OK	This "Whole of Government Accounts" requirement is fulfilled when we check your summarisation scheduled are consistent with your annual accounts. We have completed that work and found no matters to report.

Appendix Two

Audit Differences

Under UK auditing standards (ISA (UK) 260) we are required to provide the Audit Committee with a summary of unadjusted audit differences (including disclosure misstatements) identified during the course of our audit, other than those which are 'clearly trivial', which are not reflected in the financial statements. In line with ISA (UK) 450 we request that you correct uncorrected misstatements. However, they will have no effect on the opinion in our auditor's report, individually or in aggregate. As communicated previously with the Audit Committee, details of all adjustments greater than £90k are shown below:

Adjusted audit differences (£m)				
No.	Detail	SOCI Dr/(cr)	SOFP Dr/(cr)	Comments
1	Dr Accruals Cr Accrued income	- -	£2.03m (£2.03m)	The additional employers pension adjustment, which is a notional pension gross up between the Wiltshire Health and Care rate (14%) and the NHS Pension Scheme rate (20.6%) has been entered through the Statement of Financial Position. This should only be a gross up of payroll cost and income in the Statement of Comprehensive Income.
Total		-	(£2.03m)	

Under UK auditing standards (ISA UK 260) we are required to provide the Audit Committee with a summary of adjusted audit differences (including disclosures) identified during the course of our audit. There are no unadjusted audit differences the financial statements.

We have also raised some minor presentational adjustments, which have been corrected.

Audit Differences (continued)

Agreement of Balances

We are required to report any inconsistencies greater than £300,000 between the signed audited accounts and the consolidation data and details of any unadjusted errors or uncertainties in the data provided for intra-group and intra-government balances and transactions regardless of whether a LLP is a sampled or non-sampled component. We have provided details of the inconsistencies that we are reporting to the NAO below, plus those over our misstatement reporting threshold of £90k.

Counter party	Type of balance/ transaction	Balance as per LLP (£'000)	Balance as per counter party (£'000)	Difference (£'000)	Comments on Difference
Royal United Hospitals Bath NHS FT	Expenditure	£1,334	£1,020	(£314)	This difference is due to £97k of VAT treated erroneously by the Trust, £86k of drugs recharges that have not been included on the statement, a £99k recharge not agreed by WHC and £33k invoice that RUH have not included.
Health Education England	Income	£420	£0	£420	WHC have not received any correspondence from Health Education England to confirm the rationale for the difference, but are able to evidence the income. KPMG will review WHC's documentation to confirm the recognition is appropriate.
NHS Property Services	Expenditure	£2,587	£2,241	(£346)	This difference is primarily due to a True Up value not accounted for by NHSPS and an £80k VAT difference. There is also a £156k credit in the second submission that WHC dispute.
Royal United Hospitals Bath NHS FT	Income	£492	£105	£387	The difference is due to part of the balance being recognised as capital by the RUH. We are currently reviewing the evidence for this amount.

Audit Differences (continued)

Agreement of Balances (continued)

Counter party	Type of balance/ transaction	Balance as per LLP (£'000)	Balance as per counter party (£'000)	Difference (£'000)	Comments on Difference
BSW CCG	Receivables	£5,391	£4,878	£513	WHC state an incorrect value was entered for the second submission, but it has no accounts impact. KPMG will corroborate this explanation.
NHS Property Services	Payables	£349	(£21)	£370	This is linked to the NHSPS variance noted on the previous page.

Appendix Three

Confirmation of Independence

We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the Director and audit staff is not impaired.

To the Audit Committee members

Assessment of our objectivity and independence as auditor of the Wiltshire Health and Care LLP

Professional ethical standards require us to provide to you at the completion stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard.

As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values
- Communications
- Internal accountability
- Risk management
- Independent reviews.

We are satisfied that our general procedures support our independence and objectivity.

Independence and objectivity considerations relating to the provision of non-audit services

Summary of non-audit services

There have been no non-audit services in 2021/22.

Confirmation of Independence (continued)

We have considered the fees charged by us to the LLP and its affiliates for professional services provided by us during the reporting period. Total fees charged by us can be analysed as follows:

	2021/22	2020/21
Financial Statements Audit	£32,760	£31,500
IFRS 16 Transaction (one off)	£3,000	£0
Total Fees	**£35,760**	**£31,500**

Fee ratio

The ratio of non-audit fees to audit fees for the year was 0:1. We do not consider that the total non-audit fees create a self-interest threat since the absolute level of fees is not significant to our firm as a whole.

Contingent fees

Under the FRC's Revised Ethical Standard, no new contingent fees for non-audit or audit related services for an audited entity, its UK parent undertaking and any worldwide controlled undertaking can be entered into after 15 March 2020. We confirm that no new contingent fees for such services have been entered into for the LLP since that date and that no contingent fee amounts remain outstanding from previously provided non-audit services.

Application of the FRC Ethical Standard 2019

We communicated to you previously the effect of the application of the FRC Ethical Standard 2019. That standard became effective for the first period commencing on or after 15 March 2020, except for the restrictions on non-audit and additional services that became effective immediately at that date, subject to grandfathering provisions.

We confirm that as at 15 March 2020 we were not providing any non-audit or additional services that required to be grandfathered.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the director and audit staff is not impaired.

This report is intended solely for the information of the Audit and Compliance Committee and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

KPMG LLP

Yours faithfully

KPMG LLP

Appendix Four

FRC's areas of focus

The areas of focus from the FRC's Annual Review of Corporate Reporting 2020/21, annual letter to CEOs, CFOs and audit committee chairs along with the five thematic reviews issued in 2021 should be considered for reporting in the current financial period. The reports identify where the FRC believes organisations should be improving their reporting. Below is a high level summary of the key topics. We encourage management and those charged with governance to read further on those areas which are significant to the LLP.

Judgements and Estimates	In the current climate it is particularly important for entities to provide as much context as possible for the assumptions and predictions underlying the amounts recognised in the financial statements, including potential sensitivities or ranges of possible outcomes. Companies should disclose the carrying amounts impacted by estimation uncertainty. Disclosures of key assumptions and sensitivities could be improved. Preparers are encouraged to clearly distinguish between sources of estimation uncertainty with a significant risk of a material adjustment in the following year and other, perhaps longer-term, uncertainties. Significant accounting judgements should be clearly explained along with factors considered.
Revenue	Having raised a considerable number of queries in relation to revenue recognition policies and related disclosure, the FRC strongly encourage preparers to read their thematic report which includes tips and examples of good and inadequate disclosure. Entities should disclose significant judgements made in accounting for revenue. This could include judgements in relation to performance obligations, transaction price and amounts allocated to performance obligations. Disclosures should clearly identify the methods used to estimate any variable consideration.
Statement of Cash Flows	Organisations need robust reviews of the cash flow statement to ensure consistency with other parts of the annual report and to ensure preparation in line with the accounting standard. Errors continue to be identified, including inappropriate classification of cash flows and inappropriate netting. The FRC also challenges organisations on the composition of cash equivalents and on incomplete or incorrect related disclosures. Organisations are reminded that even in the limited cases where borrowings can be included as a component of cash and cash equivalents in the cash flow statement, the IAS 32 'Financial Instruments: Presentation' criteria need to be applied to determine whether they can be presented on a net basis in the balance sheet.
Alternative Performance Measures (APMs)	APMs should not be given undue-prominence. Preparers should avoid statements appearing to provide APMs with more authority than IFRS measures and are reminded that meaningful commentary on the IFRS figures is required. APMs, including ratios, should be appropriately labelled and reconciled to the most directly reconcilable financial statement line item. It should be clear how reconciling items are determined and companies should explain clearly why amounts are excluded from adjusted measures. Adjusting items should include gains as well as losses, where relevant.

Appendix Four

FRC's areas of focus

Strategic Report	The annual report should provide a fair, balanced and comprehensive analysis of the development and performance of the business in the financial year and of its position at the end of the year. In particular companies are encouraged to include discussion of relevant significant matters and performance against key strategic objectives.
Provisions and contingencies	Provisions and contingencies should be clearly explained including the nature of the exposure, the timeframe and the basis for determining the amount. Any significant judgements and relevant assumptions should be disclosed clearly. There should be consistency between information provided in the annual report and accounts. If material provisions are dependent on the future performance of a business expected to be heavily impacted by climate change, this should be disclosed and detail provided on how climate change had been taken into account in the estimate.
Leases	Lessees and lessors are required to disclose information that gives a basis for users to assess the effect of leases on financial position, financial performance and cash flows. This could include information about variable payment features, for example. Judgements should be disclosed. Entity-specific accounting policies should be disclosed for material transactions.
2021/22 priorities for FRC review: - **Impact of COVID-19**	In addition to the topics summarised above, the FRC have indicated that routine monitoring for the 2021/22 cycle will include a focus on: - judgement and uncertainty in the face of continuing economic and social impact of Covid-19; and - climate-related risks and new disclosures. Disclosure on judgements and assumptions about the future will remain important to users of reports, particularly when considering matters such as going concern and liquidity. Therefore as part of their routine 2021/22 routines, the FRC will continue to consider whether entities: - Explain the significant judgements and estimates made; - Provide meaningful sensitivity analysis or details of a range of possible outcomes; - Describe any significant judgements made in determining whether there is a material uncertainty about their ability to continue as a going concern; and - Ensure that assumptions used in the going concern assessment are compatible with those used elsewhere.

Appendix Five

ISA (UK) 315 Revised: Overview

Summary

ISA (UK) 315 *Identifying and assessing the risks of material misstatement* incorporates significant changes from the previous version of the ISA. These have been introduced to achieve a more rigorous risk identification and assessment process and thereby promote more specificity in the response to the identified risks. The revised ISA is effective for the 2022-23 financial year onwards**.**

The revised standard expands on concepts in the existing standards but also introduces new risk assessment process requirements – the changes will have a significant impact on our audit methodology and therefore audit approach.

Why have these revisions been made?

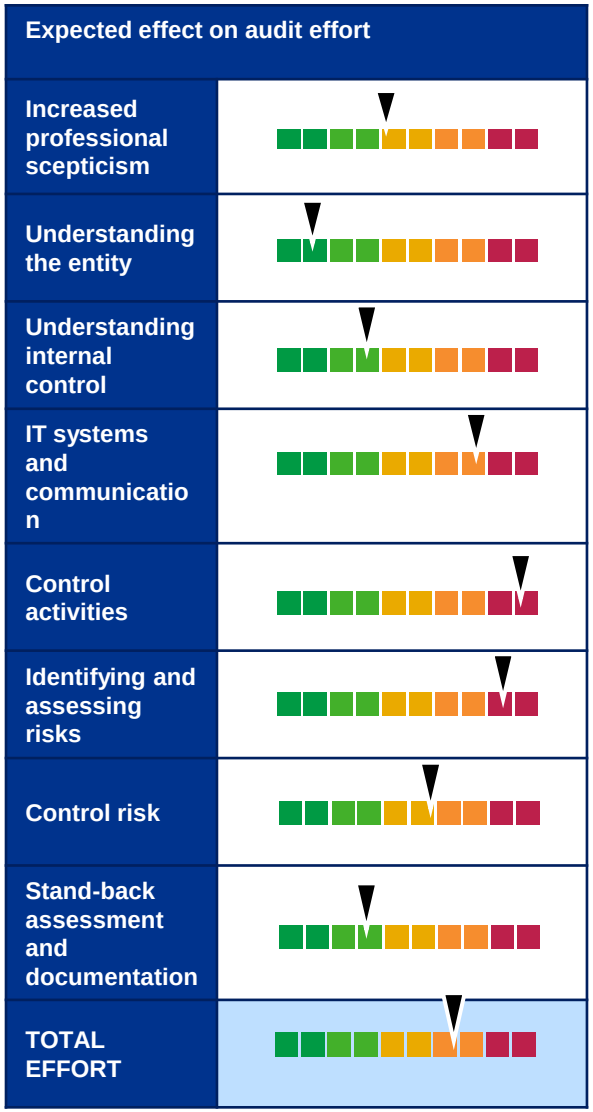
With the changes in the environment, including financial reporting frameworks becoming more complex, technology being used to a greater extent and entities (and their governance structures) becoming more complicated, standard setters recognised that audits need to have a more robust and comprehensive risk identification and assessment mechanism.

The changes are aimed at (i) promoting consistency in effective risk identification and assessment, (ii) modernising the standard by increasing the focus on IT, (iii) enhancing the standard's scalability through a principle based approach, and (iv) focusing auditor attention on exercising professional scepticism throughout risk assessment procedures.

What does this mean for an audit?

To meet the requirements of the new standard, auditors will be required to spend an increased amount of time across the risk assessment process, including more detailed consideration of the IT environment. We expect these changes to result in significantly increased audit effort levels which will, in turn, affect auditor remuneration. This additional effort is a combination of time necessary to perform the enhanced risk assessment procedures and the anticipated need to involve more technical specialists (particularly IT Audit professionals) in our audits.

Given the level of changes to the standard, debate remains ongoing about the extent of impact on application of some paragraphs. Global regulators have committed to providing further clarification in this area in advance of adoption, and there may therefore be some later updates to our initial assessment of relative impact.



ISA (UK) 315 Revised: Overview

Area	Impact on audit effort	Summary of changes and impact
Increased professional scepticism		Increased focus on applying professional scepticism – particularly the need for auditors not to bias their approach towards obtaining evidence that is corroborative in nature or excluding contradictory evidence, which requires more independent evidence to be sought. In all cases, there will be enhanced documentation requirements in this area.
Understanding internal control		The previous standard included requirements for understanding components of the entity's system of internal control. The revisions add another step by requiring auditors perform evaluation procedures over these. This may require additional effort to evaluate the entity's processes over risk assessment and monitoring activities over internal control systems to assess their appropriateness to the entity's size and complexity.
IT systems and communication		The requirements introduce an increased focus on understanding the entity's own management of IT. This may entail performing additional risk assessment procedures and taking a broader view across the IT environment, considering more systems and systems in greater depth, than previously. Given the complexity and specialist knowledge required to perform these procedures, increased use of technical IT Audit specialists will be a natural consequence of this revision.
Control activities		The revised standard enhances the way we identify IT applications and aspects of the IT environment that are subject to assessed risks arising from IT. This may result in significant expansion of risk assessment procedures to obtain and evaluate the necessary information. Further, the standard adds new requirements in control testing activities to mandate evaluation of general IT controls that address risks arising from IT associated with significant risks and certain journal entries. For these controls, the auditor is required to evaluate the design and implementation of the individual controls. This could result in a significant change in approach, with more emphasis and effort spent on evaluating control activities. Again, we anticipate integrating more specialised expertise into our audit team to meet the revised requirements.
Identifying and assessing risks		The changes require more detailed assessment of risks at both the financial statement and assertion levels for classes of transactions, account balances and disclosures than previously. Further, the revisions introduce an inherent risk spectrum and new inherent risk assessment factors, each of which the auditor evaluates to assess the level of risk and thereby shape the audit response. This will increase the audit effort needed to evaluate and document the risks of material misstatement.
Control risk		New requirement to assess inherent risk and control risk separately for each risk of material misstatement identified where the auditor plans to test the operating effectiveness of controls. The separation of assessments will require individual attention, increased documentation and is likely to affect sample sizes for substantive procedures.
Stand-back assessment		New requirement to perform a stand-back assessment for material classes of transactions, account balances or disclosures which have not been identified as significant, to assess whether this determination remains appropriate in the context of the overall audit. This will require increased consideration of aggregation risk and introduce additional documentation requirements.

Appendix Five

ISA (UK) 240 Revised: Summary of key changes

Summary and background

ISA (UK) 240 *The auditor's responsibilities relating to fraud in an audit of financial statements* includes revisions introduced to clarify the auditor's obligations with respect to fraud and enhance the quality of audit work performed in this area. The revised ISA (UK) is effective for periods commencing on or after 15 December 2021. Unlike ISA (UK) 315 which mirrors updates in the international ISA, the updated UK fraud standard is not based on international changes by the IAASB.

The impact of the revisions to ISA (UK) 240 is less extensive compared to ISA (UK) 315, but will nevertheless result in changes to our audit approach. The table below summarises the main changes and our initial assessment of their impact.

Area	Summary of changes and impact	Effect on audit effort
Risk assessment procedures and related activities	[1] Increased focus on applying professional scepticism – the key areas affected are: • the need for auditors not to bias their approach towards obtaining evidence that is corroborative in nature or excluding contradictory evidence, • remaining alert for indications of inauthenticity in documents and records, and • investigating inconsistent or implausible responses to inquiries performed. [2] Requirements to perform inquiries with individuals at the entity are expanded to include, amongst others, those who deal with allegations of fraud. [3] Every audit now requires a specific determination as to whether to involve technical specialists (including forensics) to aid in identifying and responding to risks of material misstatement due to fraud. This will result in increased involvement of specialists and an expanded scope of work for these specialists, on audit engagements.	
Internal discussions and challenge	Enhanced requirements for internal discussions among the audit team to identify and assess the risk of fraud in the audit, including a requirement to determine the need for additional meetings to consider the findings from earlier stages of the audit and their impact on our assessment of the risk of fraud.	
Communications with management / TCWG	New requirements for communicating matters related to fraud with management and those charged with governance, in addition to the reporting in our audit reports.	

What does this mean for an audit?

The changes introduce new requirements which will increase audit effort and therefore the audit fee. The additional work is largely the result of investing more time identifying and assessing the risk of fraud during risk assessment and involving specialists to aid with both risk identification and the auditor's response to risk.

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Wiltshire Health and Care LLP
Annual Report and Accounts 2021 to 2022

Presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006

Ordered by the House of Commons to be printed 22 June 2022

Limited Liability Partnership Registration No. OC399656

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Officers and Professional Advisors

Designated Members

Great Western Hospitals NHS Foundation Trust

Royal United Hospitals Bath NHS Foundation Trust

Salisbury NHS Foundation Trust

Registered Office
Chippenham Community Hospital,
Rowden Hill,
Chippenham,
SN15 2AJ

Independent Auditor
KPMG LLP
66 Queen Square,
Bristol,
BS1 4BE

Bank
Lloyds Bank plc
Chippenham Branch,
PO Box 1000,
BS1 1LT

The members are pleased to present their report and the audited financial statements for the year ended 31 March 2022.

Members' Report

Principal Activity

Wiltshire Health and Care LLP is a public benefit entity whose principal activity is the provision of adult community health services across Wiltshire.

Results

The results for the year are a profit of £169k, as outlined on page 16.

Business Review

The LLP has continued to deliver adult community health services for the people of Wiltshire during the financial year 2021/22. The LLP achieved a surplus of £169k, against its planned break even position at the end of the financial year. This was in main due to lower than expected expenditure for which provisions were made in previous financial year. The LLP grew its income base in a sustainable manner by agreeing the development of additional commissioned services, including the addition of community overnight nursing and establishment of an urgent community response service.

The 2021/22 delivery year was the second year dominated by the response to the Covid-19 pandemic. In this year, this was both responding to the pressures and workforce challenges related to peaks of COVID infections themselves while also dealing with the additional needs and service demand stemming from recovery of services from periods of lockdowns and previous waves of infections. This combination has been incredibly challenging for the whole of the health and care system. Wiltshire Health and Care teams have, in particular, seen increased support needs on our inpatient wards, the capacity of our Home First teams being stretched by a combination of increasing demands and a reduction in availability of follow-on domiciliary care and our core community teams (including our learning disability team) have had to deal with a combination of ongoing high demand and the effects of temporary absence due to COVID. Waiting times for our clinic-based services have increased as direct result of responding to post-lockdown demands.

The response to these challenges has been marked by two aspects. Firstly, the resilience, commitment and dedication of our teams who have kept going throughout. Secondly, the focus of the LLP in previous years on investing to improve our outdated infrastructure has meant that our information technology systems and estates have been able to support in ways that would not have been possible in previous years.

While dealing with these pressures, 2021/22 has also seen a focus on continued expansion of community services in line with national plans. The Urgent Community Response service, which involves a 2 hour crisis response, was implemented in a phased manner throughout the year, with the full national specification being met ahead of the 31 March 2022 deadline. This has included additional investment in excess of £2m.

The LLP has also embedded the provision of the service to assess and support those experiencing 'Long Covid' across the wider Bath and North East Somerset, Swindon and Wiltshire area. This service, which includes working across multiple professions and organisations, has created an example of how support for a wider range of multiple long term conditions should be organised in the future.

In terms of risks and uncertainties, the LLP's highest strategic risk is related to continued supply of adequate workforce to deliver commissioned services. The rate of vacancies has increased during 2021/22 (after reducing in previous years) and this is coupled with an increased level of turnover (again, after previous reductions). Recruitment and retention is an ongoing focus, with the variety and autonomy of community-based roles being emphasised. Very good progress has been made with increasing the use of electronic rostering, with complete coverage expected to be achieved by Quarter 2 of 2022-23. Centralised rostering is now well embedded for inpatient and urgent care services. Despite these developments, the LLP continues to be reliant on temporary staffing for the delivery of some services, in particular inpatient services. This is largely related to an ongoing high demand for individuals requiring enhanced support on inpatient wards. Further approval controls were introduced in 2021/22 and temporary staffing spend will be a continuing focus for 2022/23.

The continuing impact of Covid-19 on the activities of the LLP has also been assessed. The LLP is engaged in work across the health and care sector to plan for, and seek to mitigate, risks which would affect the sector as a whole. Additional support from national funding streams helped mitigate the effects of additional expenditure related to the COVID-19 response in previous years. This funding is reduced substantially for 2022/23, which may bring additional risks. The LLP is confident, however, that additional temporary costs directly related to COVID in previous years have not been committed to recurrently.

The impacts of inflation and the cost of living are being felt by the LLP. A temporary increase to mileage rates has been introduced in recognition of the particular impact on teams delivering essential health services across a large geographic area. The effects of inflation are also being seen in relation to operating costs, with the potential for further rises a source of additional risk for 2022/23.

The LLP's operational priorities for 2022/23 are set out in our Delivery Plan 2022-2025, which contains 43 objectives. These are centred around building a comprehensive community-based model of care in line with national and local strategy; growing, developing and supporting our people; ensuring teams have the tools to do the job through further action to modernise infrastructure and a focus on the long term through pursuing financial and environmental sustainability.

Going Concern

The LLP is required to consider if the accounts should be prepared on a going concern basis and this expectation needs to be tested each year. It should be disclosed if there are material uncertainties in respect of events or conditions that may cast significant doubt on the entities ability to continue as a going concern and that it may therefore be unable to realise its assets and discharge its liabilities in the normal course of business.

The LLP has net assets of £484k, with £5.5m cash as at 31 March 2022 and a surplus for the year then ended of £169k. The Directors have considered this position and prepared the financial statements on a going concern basis for the following reasons.

The LLP holds its principal contract to 30 June 2023 and has received formal notification from its commissioners that this principal contract will be renewed to 31 March 2024.

The financial negotiations with commissioners in regard to the 2022/23 contract have been carried out in line with the national planning guidance and, whilst the negotiations are yet to be finalised, the indicative plan and forecasts have been prepared including the values agreed in principle with the commissioners.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the LLP will have sufficient funds to meet its liabilities as they fall due for that period, with monthly cash totals remaining within the minimum tolerance level as set by the LLP Board.

In the event that the LLP expenditure cannot be covered by current or any agreed adjustments to commissioning income, the Operating Board shall notify the members who shall make a decision on the next steps in line with the Members Agreement. After making enquiries on capital, budgeting and cash requirements and based on the factors outlined above and the financial position of the LLP at 31 March 2022, it is not anticipated that the support of members will be required.

For this reason the LLP continues to adopt the going concern basis in preparing its annual accounts.

Designated Members

The designated members who served during the year and to the date of this report are set out on page 3.

Charitable Donations

No charitable or political donations were made during the year (2021/22 £0).

Members' Report

Policy regarding Members' Drawings and Capital

All contributions of Capital made by a Member shall be recorded by the LLP. No interest shall be payable on any Capital Contribution unless the Members agree otherwise. There have been no contributions made to date.

Should any Member provide any services to the LLP, the Member shall not make any profit on any elements of those services with all risks managed in line with the relevant regulatory framework. Arrangements are subject to periodical review by the Board.

In the event that the LLP makes any Profits a reserve shall be formed and will only be divided and converted into a debt to the Members if and when the Board (acting on behalf of the Members) has agreed to distribute those Profits among the Members as per section 8 of the Members Agreement.

The amounts transferred in the year were £0 (2021/22: £0).

Disclosure of information to auditor

The members who held office at the date of approval of this members' report confirm that, so far as they are each aware, there is no relevant audit information of which the LLP's auditor is unaware; and each member has taken all the steps that they ought to have taken as a member to make themselves aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

Auditor

The independent auditors of Wiltshire Health and Care LLP are KPMG LLP.
Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office .

Approved by the Members
and signed on behalf of the Members

Date: 21st June 2022
Douglas Blair
Managing Director
Registered office address: Chippenham Community Hospital, Rowden Hill, Chippenham, Wiltshire, SN15 2AJ

Streamlined Energy and Carbon Report

Streamlined Energy and Carbon Reporting (SECR) is a mandatory carbon and energy reporting scheme for large UK companies. Under the 2018 Regulations, LLPs which are "large" are also required to prepare and file energy and carbon information in their accounts and reports (in a new 'Energy and Carbon Report').

UK Energy Usage – electricity, gas, transport, and CO2e

In relation to our premises, the LLP currently does not own properties and occupies buildings owned by NHS Property Services (NHSPS) in the main.

Actual usage data has been provided for 2021/22 and is included in the table below. This was calculated using the appropriate CO2e conversion factors taken from the latest available UK Government GHG Conversion Factors for Company Reporting. Arrangements are in place with the Facilities Services Manager at NHSPS to receive Gas (kWh) and Electricity (kWh) measurements across our hospital sites for each reporting period. Similarly, we continue to ensure that we obtain this same data from the property owners of the other (non-NHSPS) sites that we occupy.

In relation to energy use relating to our transport, we have directly collected this information, and included it in the table below.

The increase in emissions across categories is due to the comparison with 2020/21, the early part of which included the widespread and exceptional change to service delivery during the first Covid lockdown. Despite an increase to emissions relating to transport and an overall increase in mileage, electric car mileage increased by 194% and hybrid car mileage by163% during 2021/22.

	Usage	Usage	Unit of measurement
	2021/22	2020/21	
Energy consumption used to calculate emissions [1]:	6,240,724	6,202,581	kWh
Emissions from combustion of gas:	535,115	525,682	CO2e kg
	535.12	525.68	CO2e Tons
Emissions from combustion of fuel for transport purposes:	452,528	392,014	CO2e kg
	452.53	392.01	CO2e Tons
Emissions from purchased electricity:	311,119	288,946	CO2e kg
	311.12	288.95	CO2e Tons
Total gross CO2e:	1,298,762	1,206,642	CO2e kg
	1,298.76	1,206.64	CO2e Tons
Intensity ratio: tCO2e gross figure based from mandatory fields above/ e.g. £100,000 revenue:	0.0196	0.0219	CO2e kg/Revenue
	0.00	0.00	CO2e Tons/Revenue

[1] This includes Gas, Transport Fuel and Electricity consumption

Streamlined Energy and Carbon Report

Energy efficiency action

The LLP has undertaken the following principal measures for the purpose of increasing its energy efficiency:

The LLP has changed its approach for leasing fleet/lease vehicles. The LLP made the decision in 2020/21 to only lease low or ultra-low carbon vehicles as pool cars were renewed. This is in line with the commitment and strategy of the NHS Long Term Plan. All leased pool cars will be low or ultra low carbon by June 2023.

Introduction of salary sacrifice scheme to support lease of electric cars in 2022/23. As noted above, this will increase the proportion of business miles being completed using electric vehicles.

The LLP has fully embedded its changed approach to the conduct of meetings. The LLP's default position is to hold meetings virtually. To facilitate this, all relevant staff members have been provided with access to MS Teams, and the necessary IT hardware. This will help to maintain a level of transport use lower than the comparable pre-pandemic position.

The LLP has evolved its approach for delivery of clinical consultations. Although the impact of this is not always seen in the LLP's emissions, the broader impact on Wiltshire is that it reduces the need for patients, carers and families to travel for health appointments.

Statement of members' responsibilities in respect of the Members' report and the financial statements

The members are responsible for preparing the financial statements in accordance with applicable law and regulations and have elected to prepare a Members' Report.

The members are responsible for the maintenance and integrity of the corporate and financial information included on the LLP's website.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare the financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* .

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

• select suitable accounting policies and then apply them consistently;

• make judgments and estimates that are reasonable and prudent;

• state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

• assess the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and

• use the going concern basis of accounting unless they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities .

Independent Auditor's report to the members of Wiltshire Health and Care LLP

Opinion

We have audited the financial statements of Wiltshire Health and Care LLP ("the LLP") for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Cash Flow Statement, Statement of Changes in Equity and related notes, including the accounting policies in 1.

In our opinion the financial statements:

give a true and fair view, of the state of affairs of the LLP as at 31 March 2022 and of its profit for the year then ended;

• have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
• have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the LLP 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.

Going concern

The members have prepared the financial statements on the going concern basis as they do not intend to liquidate the LLP or to cease its operations, and as they have concluded that the LLP's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the members' conclusions, we considered the inherent risks to the LLP's business model and analysed how those risks might affect the LLP's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:
• we consider that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
• we have not identified, and concur with the members' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the LLP's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the LLP will continue in operation.

Independent Auditor's report to the members of Wiltshire Health and Care LLP

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

• Enquiring of management, the Audit Assurance Committee and internal audit and inspection of policy documentation as to the LLP's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and LLP's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
• Reading Board and Audit Committee minutes.
• Using analytical procedures to identify any usual or unexpected relationships.
• Reviewing the LLP's accounting policies.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk that LLP management may be in a position to make inappropriate accounting entries. On this audit we did not identify a fraud risk related to revenue recognition because of the non-complex recognition due to the nature of the revenue, which limits the opportunities to fraudulently misstate revenue.

We also recognised a fraud risk related to expenditure recognition, particularly in relation to year-end accruals. We consider this risk to be applicable to non-payroll and non-depreciation expenditure.

We also performed procedures including:
• Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual postings to revenue and unusual postings to cash.
• Inspecting cash payments and purchase invoices in the period following 31 March 2022 to verify expenditure had been recognised in the correct accounting period.
• Evaluating a sample of accruals posted as at 31 March 2022 and verifying accruals posted as at 31 March 2022 are complete.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the LLP's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the LLP is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Independent Auditor's report to the members of Wiltshire Health and Care LLP

The LLP is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the LLP is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The members are responsible for the other information, which comprises the members' report and the Streamlined energy and carbon report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to limited liability partnerships we are required to report to you if, in our opinion:
• adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
• the financial statements are not in agreement with the accounting records and returns; or
• we have not received all the information and explanations we require for our audit
We have nothing to report in these respects.

Members' responsibilities

As explained more fully in their statement set out on page 10, the members are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's report to the members of Wiltshire Health and Care LLP

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 financial statements.

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

This report is made solely to the members of the LLP, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Rees Batley (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE
United Kingdom
21 June 2022

Statement of financial position
For the year ended 31 March 2022

	Note	2021/22 £000	2020/21 £000
Non current assets			
Tangible assets	10	**686**	555
Intangible assets	11	**135**	21
Current assets			
		821	576
Debtors	12	**6,397**	3,629
Stock	13	**660**	396
Cash at bank and in hand	14	**5,515**	8,461
		12,572	12,486
Total assets		**13,393**	13,062
Creditors: amounts falling due within one year	15	**(12,003)**	(11,845)
Net current (liabilities) / assets		**569**	641
Total assets less current liabilities		**1,390**	1,217
Provisions for liabilities	16	**(906)**	(902)
NET ASSETS ATTRIBUTABLE TO MEMBERS		**484**	315
REPRESENTED BY:			
Equity			
Members' other interests – other reserves classified as equity	18	**0**	0
Reserves		**484**	315
TOTAL MEMBERS' INTERESTS		**484**	315

The financial statements of Wiltshire Health and Care LLP, registered number OC399656, were approved by the Members on 21st June 2022

Signed on behalf of the Members

Douglas Blair
Managing Director
Date: 21st June 2022

Notes on pages 19 to 27 form part of the financial statements.

Statement of comprehensive income
For the year ended 31 March 2022

	Note	2021/22 £000	2020/21 £000
Turnover	2	**66,206**	55,401
Operating Expenses	3	**(66,037)**	(55,237)
Operating Profit		**169**	164
Net interest receivable	6	**0**	12
Profit for the financial year available for discretionary division among members		**169**	176
Other comprehensive income		**0**	0
Total comprehensive income		**169**	176

Cash Flow Statement
For the year ended 31 March 2022

	Note	2021/22 £000	2020/21 £000
Net cash inflow from operating activities			
Profit for the financial year		**169**	176
Adjustments for:			
Increase in creditors		**158**	(8,285)
Depreciation and amortisation		**231**	294
(Increase) / decrease in stock		**(264)**	(41)
(Increase) in debtors		**(2,768)**	7,249
Increase / (decrease) in provisions		**4**	902
Adjustment for net finance costs		**0**	(12)
Net cash flows from operating activities before transactions with members		**(2,470)**	283
Net cash from investing activities			
Purchase of plant, property and equipment		**(352)**	(356)
Purchase of intangible assets		**(124)**	(15)
		(476)	(371)
Net Cash from financing activities			
Interest received		**0**	12
Net increase / (decrease) in cash and cash equivalents		**(2,946)**	(131)
Cash and cash equivalents at 1 April		**8,461**	8,592
Cash and cash equivalents at 31 March		**5,515**	8,461

Statement of Changes in Equity

	Members capital classified as equity £000	Members other Interests £000	**TOTAL £000**
As at 01 April 2020	139	0	**139**
Profit for the financial year available for discretionary division amount members	176	0	**176**
As at 01 April 2021	315	0	**315**
Profit for the financial year available for discretionary division among members	169	0	**169**
As at 31 March 2022	484	0	**484**

Notes on pages 19 to 27 form part of the financial statements.

Notes to the Financial Statements
Year ended 31 March 2022

1. Accounting policies

The principal accounting policies used in the preparation of the financial statements, which have been consistently applied in the current and preceding financial years, are as follows:

1.1 Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and The Statement of Recommended Practice, 'Accounting by Limited Liabilities Partnerships' with the consideration that the LLP is a public benefit entity. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.2 Going concern

The LLP is required to consider if the accounts should be prepared on a going concern basis and this expectation needs to be tested each year. It should be disclosed if there are material uncertainties in respect of events or conditions that may cast significant doubt on the entities ability to continue as a going concern and that it may therefore be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial negotiations with commissioners in regards to the 2022/23 contract have been carried out in line with the national planning guidance, and whilst the negotiations are yet to be finalised the indicative plan and forecasts have been prepared using the values agreed in principal with the commissioners.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements, which indicate that, even when considering a downside scenario, the LLP will have sufficient funds, to meet its liabilities as they fall due for that period, with monthly cash totals remaining within the minimum tolerance level.

In the event that the LLP expenditure cannot be covered by current or any agreed adjustments, to commissioning income, the Board shall notify the members who shall make a decision on the next steps in line with the Members Agreement. After making enquiries on capital, budgeting and cash requirements and based on the factors outlined above and the financial position of the LLP at 31 March 2022, it is not anticipated that the members support will be required. For this reason the LLP continues to adopt the going concern basis in preparing its annual accounts.

1.3 Turnover

Turnover represents amounts chargeable to customers for services provided during the year, based upon contractual arrangements with all customers, including other NHS bodies, and is recorded as earned under those contractual arrangements. Where services are invoiced in advance of the service being performed or delivered, then income is deferred until the service is carried out. Income is accrued where it has been earned by the performance of the service, but is not yet invoiced to the customer.

1.4 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that, they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.5 Employee benefits

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable public bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the public body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”.

1.6.1 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the LLP
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250,

Where a large asset, for example a building, includes a number of components with significantly different asset lives, e.g., plant and equipment, then these components are treated as separate assets and depreciated over their own useful lives.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Useful Life of Assets	**Years**
Medical Equipment	3 - 5
Furniture and fittings	5 -10
IT Hardware and Software	3 - 5

Impairments

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of ‘other impairments’ are treated as revaluation gains.

De-recognition

Assets intended for disposals are reclassified as ‘held for sale’ once all of the following criteria are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their fair value less costs to sell. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as ‘held for sale’ and instead is retained as an operational asset and the asset’s useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment .

1.6.2 Intangible Assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the LLP's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the LLP and where the cost of the asset can be measured reliably.

Software

Software which is integral to the operation of hardware, e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, e.g. application software, is capitalised as an intangible asset.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Intangible assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

Amortisation

Intangible assets are amortised over their expected useful lives in a manner consistent with the consumption of economic or service delivery benefits.

1.7 Stock

Stock is valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method .

An Asset Register was introduced last year and Material Management is now being used which has improved the stock control and ensured a more accurate stock register is being kept

1.8 Cash and cash equivalents

Cash and cash equivalents comprise all cash balances.

1.9 Financial instruments and financial liabilities

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the LLP's normal sale or usage requirements, are recognised when, and to the extent which, performance occurs, i.e. when receipt or delivery of the goods or services is made. These assets and liabilities are categorised as fair value through income and expenditure and loans and debtors.

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the LLP has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

The LLP's loans and receivables comprise: cash; debtors; and creditors.

Notes to the Financial Statements
Year ended 31 March 2022

2. Turnover

	2021/22	2020/21
	£000	£000
CCG Income	**61,682**	51,340
Centrally Funded additional Employer Contributions	**2,029**	1,839
Local Authorities Income	**875**	822
NHS Trust and FT Income	**794**	462
Training and Education	**439**	490
Other	**387**	448
	66,206	55,401

The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1st April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

3. Total operating expenditure

	2021/22	2020/21
	£000	£000
Staff costs (note 5)	**47,399**	43,818
Chair and Non-Executive Costs	**61**	51
Commissioned Service Costs	**433**	523
Other operating charges comprising:-		
Clinical and general goods and services	**10,097**	3,983
Premises and establishment costs	**6,981**	5,862
Depreciation and amortisation	**335**	239
Other operating charges	**731**	761
	66,037	55,237

4. Operating profit

	2021/22	2020/21
	£000	£000
Operating profit is after charging :		
Auditor's remuneration	**35**	32
Audit of these financial statements	**35**	32

5. Staff costs and employee information

	2021/22	2020/21
	£000	£000
Employee costs during the year amounted to:		
Wages and salaries	**34,256**	31,902
Social security costs	**3,146**	2,852
Pension costs	**6,679**	6,081
Temporary staff	**3,160**	2,838
Apprenticeship levy	**158**	145
	47,399	43,818

The staff costs consist of amounts relating to both clinical and non-clinical personnel. The highest paid role was the Managing Director, the total costs; including employer's on-costs, amounting to £151k (2020/21: £154k).

Included within the Employers' contribution to the NHS pension is £2.0m notional expenditure relating to the 6.3% additional employer contributions borne centrally (£1.8m, 2020/21).

Notes to the Financial Statements
Year ended 31 March 2022

Average Headcount Numbers	**2021/22**	2020/21
	No.	No.
Medical Staff	**3**	3
Nursing staff	**353**	353
Allied Health Professionals	**300**	316
Other clinical staff	**339**	336
Admin and clerical staff	**249**	214
	1,244	1,222

The increase in admin in clerical staff numbers in 2021/22 is due to the transfer of receptionist and medical record staff duing the financial year

6. Net interest receivable

	2021/22	2020/21
	£000	£000
Bank interest receivable	**0**	12
Net interest receivable	**0**	12

7. Members' share of profits

The average number of members during the year was 3 (2020/21 3)

No profits were distributed to members for the year to 31 March 2022 (31 March 2021: £nil)

8. Members' remuneration charged as an expense

Members did not receive any remuneration in respect to Wiltshire Health and Care LLP.

9. Profit of the Limited Liability Partnership

The profit for the year available for discretionary division among the members reflected in the individual profit and loss account of the LLP for the year ended 31 March 2022 was £169k (2021: £176k).

10. Tangible assets

	Information Technology	**Plant and Machinery**	Total
Cost or valuation			
At 1 April 2020	450	36	**486**
Additions	193	163	**356**
At 31 March 2021	643	199	**842**
At 1 April 2021	643	199	**842**
Additions	368	(16)	**352**
At 31 March 2022	1,011	183	**1,194**
Depreciation			
At 1 April 2020	(45)	(8)	**(53)**
Charge for the year	(180)	(54)	**(234)**
Impairment	-	-	**-**
At 31 March 2021	(225)	(62)	**(287)**
At 1 April 2021	(225)	(62)	**(287)**
Charge for the year	(242)	21	**(221)**
Impairment	-	-	**-**
At 31 March 2022	(467)	(41)	**(508)**
Carrying amount			
At 1 April 2020	405	28	**433**
At 31 March 2021	418	137	**555**
At 31 March 2022	544	142	**686**

Notes to the Financial Statements
Year ended 31 March 2022

11. Intangible assets

	Software Licences £000	Total £000
Cost or valuation		
At 1 April 2020	13	13
Additions	15	**15**
At 31 March 2021	28	**28**
At 1 April 2021	28	**28**
Additions	124	**124**
At 31 March 2022	152	**152**
Depreciation		
At 1 April 2020	(2)	(2)
Charge for the year	(5)	**(5)**
Impairment	-	**-**
At 31 March 2021	(7)	**(7)**
At 1 April 2021	(7)	**(7)**
Charge for the year	(10)	**(10)**
Impairment	-	**-**
At 31 March 2022	(17)	**(17)**
Carrying amount		
At 1 April 2020	11	**11**
At 31 March 2021	21	**21**
At 31 March 2022	135	**135**

12. Debtors

	2021/22 £000	2020/21 £000
Trade debtors	**3,640**	2,527
Other receivables	**-**	54
Accrued Income	**2,480**	645
Prepayments	**277**	403
	6,397	3,629

All amounts are due within one year.

13. Stock

	2021/22 £000	2020/21 £000
Medical supplies and wheelchairs	**660**	396
	660	396

14. Cash and cash equivalents

	2021/22 £000	2020/21 £000
Cash at bank and in hand	**5,515**	8,461

15. Creditors: amounts falling due within one year

	2021/22 £000	2020/21 £000
Trade payables	**993**	882
Other payables	**16**	30
VAT	**11**	11
Other taxes, social security	**748**	710
Pension liabilities	**616**	598
Deferred income	**1,486**	153
Accruals	**8,133**	9,461
	12,003	11,845

Notes to the Financial Statements
Year ended 31 March 2022

16. Provisions

	2021/22	2020/21
	£000	£000
Opening Balance	**902**	902
Utilised during the year	**4**	0
Closing Balance	**906**	902

17. Operating Leases

	2021/22	2020/21
	£000	£000
Operating lease expense		
Minimum lease payments	**1,603**	1,960
	1,603	1,960

	2021/22	2020/21
	£000	£000
Operating lease expense		
not later than one year;	**1,592**	1,964
later than one year and not later than five years;	**30**	33
later than five years	**-**	0
	1,622	1,997

This note discloses costs and commitments incurred in operating lease arrangements where Wiltshire Health and Care LLP is the lessee.

The Premises charges are agreed on an annual rolling contract with no long term commitment. The future years premises costs are based on our expected committed as final contracts have not been agreed.

18. Total members' interests

On the creation of the LLP and during the 12 months to 31 March 2022 no Member made any financial investment into the LLP. Members have not received any revenue or capital remuneration.

19. Employee benefits

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows.

a) Accounting valuation
A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2022 is based on valuation data as 31 March 2020, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used .

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation
The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care laid Scheme Regulations in 2019 confirming the employer contribution rate to be 20.68% of pensionable pay.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgement from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process .

20. Related parties

	2021/22 £000	2020/21 £000
Expenditure		
Royal United Hospitals Bath NHS Foundation Trust	**1,333**	1,415
Great Western Hospitals NHS Foundation Trust	**915**	653
Salisbury NHS Foundation Trust	**684**	696
	2,932	2,764

	2021/22 £000	2020/21 £000
Income		
Royal United Hospitals Bath NHS Foundation Trust	**492**	39
Great Western Hospitals NHS Foundation Trust	**1**	1
Salisbury NHS Foundation Trust	**238**	380
	732	420

21. Financial instruments

Carrying amount of financial instruments
The carrying amounts of the financial assets and liabilities include:

	2021/22 £000	2020/21 £000
Assets measured at fair value through profit or loss	**3,640**	2,581
Liabilities measured at fair value through profit or loss	**(2,384)**	(2,231)
	1,256	350

22. Events after the reporting period

None noted.

Wiltshire HEALTH AND CARE

NHS

Wiltshire Health and Care ("WHC")
Board Meeting

Item 4

Any other business

VERBAL

Wiltshire HEALTH AND CARE

NHS

Wiltshire Health and Care ("WHC")
Board Meeting

Date of Next Meeting

Board Workshop and meeting:

Friday 24 June 2022
13:00-16:00
The Angel Hotel, Chippenham

Full Board Meeting:

Friday 9 September 2022
13:30-16:30
Bevan Board Room, Jenner House

NHS

Wiltshire
HEALTH AND CARE

www.wiltshirehealthandcare.nhs.uk

Working in partnership
Great Western Hospitals NHS Foundation Trust
Royal United Hospitals Bath NHS Foundation Trust
Salisbury NHS Foundation Trust