

## **Independent Reasonable Assurance Report**

### **ISAE (UK) 3000 Engagement**

**For the period from 1 April 2023 to 31 March 2024**

#### **NHS North East and North Cumbria ICB**

The Governing Body  
NHS North East and North Cumbria Integrated Care  
Board  
Riverside House  
Goldcrest Way  
Newcastle upon Tyne  
NE15 8NY

Date: 10 July 2025

#### **And NHS England**

### **Independent Reasonable Assurance Report on NHS North East and North Cumbria ICB's 2023/24 Mental Health Investment Standard Compliance Statement to the Board of NHS North East and North Cumbria ICB and NHS England for the year ended 31 March 2024**

#### **Introduction**

This reasonable assurance report (the "Report") is made in accordance with the terms of our engagement letter dated 2 December 2024 (the "Engagement Letter") for the purpose of reporting to the Governing Body of NHS North East and North Cumbria ICB (the "ICB") and NHS England in connection with the ICB's Mental Health Investment Standard compliance statement dated 10 July 2025 for the year ended 31 March 2024 (the "Statement"), which is attached. As a result, this Report is not suitable for any other purpose.

#### **Scope**

The objective of this engagement is to provide an opinion on whether the ICB's Mental Health Investment Standard (MHIS) Compliance Statement has been properly prepared, in all material respects, based on the criteria set out in the "Assurance engagement of the mental health investment standard 2023/24 – briefing guidance" published by NHS England.

The 2023/24 priorities and operational planning guidance issued by NHS England stated that: "The Mental Health Investment Standard (MHIS) will apply to ICBs and continue to be subject to an independent review. For 2023/24, the MHIS requires ICBs to increase spend on mental health services by at least ICB programme allocation base growth (prior to the application of the convergence adjustment)."

ICBs are required to publish a statement after the end of the financial year to state whether they consider that they have met their obligations with regard to the MHIS (the "Statement"). The format and content of the Statement should be in line with the specified wording in the Assurance

engagement of the Mental Health Investment Standard 2023/24 – briefing guidance (the “Guidance”) issued by NHS England.

### **Responsibilities of the ICB**

The ICB’s Accountable Officer is responsible for the preparation of the Statement(s) for the ICB for the year ending 31 March 2024 and for the completeness and accuracy of the accounting records and calculations (the “Relevant information”) that forms the basis for the preparation of the Statement. This includes the design, implementation and maintenance of internal controls relevant to the preparation of the Statement to ensure that mental health expenditure is correctly classified and included in the calculations, and that the Statement is free from material misstatement, whether due to fraud or error.

### **Relevant Information to be used in the preparation of the Statement**

The relevant information to be used in the preparation of the Statement is set out in the guidance. This includes:

- total expenditure on mental health in the year ended 31 March 2024, which is consistent with the definitions used for programme budgeting, as set out in the guidance
- the ICB’s target spend for the year, as confirmed by NHS England
- what constitutes eligible mental health expenditure for the purpose of the MHIS and the Statement.

The ICB’s accountable officer was required to provide us with:

- access to all information of which management is aware that is relevant to the preparation of the Statement, including procuring any such records held by a third party so they were made available to us
- additional information that we requested from management for the purpose of the engagement
- unrestricted access to persons within the ICB from whom we determined it necessary to obtain evidence.

### **Our responsibility**

Our responsibilities are to express a conclusion on the accompanying Statement. We conducted our engagement in accordance with UK Standard on Assurance Engagements (ISAE (UK) 3000)), assurance engagements other than audits or reviews of historical financial information. ISAE (UK) 3000 requires us to form an opinion as to whether the Statement has been properly prepared, in all material respects, in accordance with the criteria set out in the guidance.

We apply ISQM1 (UK) and accordingly maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

For the purpose of the engagement we have been provided by the ICB with a copy of its draft MHIS compliance statement showing their eligible MHIS expenditure and target spend for 2023/24, together with a more detailed expenditure summary. The Accountable Officer of the ICB remains solely responsible for the Statement.

We performed a reasonable assurance engagement as defined in ISAE (UK) 3000. The objective of a reasonable assurance engagement is to perform such procedures [on a sample basis] as to obtain information and explanations which we consider necessary in order to provide us with sufficient appropriate evidence to express a positive conclusion on the Statement.

A reasonable assurance engagement in accordance with ISAE (UK) 3000 involves performing procedures to obtain evidence about the fairness of the MHIS Compliance Statement. The nature, timing and extent of procedures selected depend on our judgement, including the risk of material misstatements, whether due to fraud or error, in the MHIS Statement of Compliance. In making those risk assessments, we considered:

- the ICB's method of compilation of the Mental Health Investment Standard Compliance Statement and the headline calculations on which it is based; and
- the internal controls applied by the ICB over the preparation of the statement and the headline calculations and the design of those controls relevant to the engagement to determine whether they have been implemented.

Our reasonable assurance engagement included:

- verifying that the total 2023/24 spend is equal or above the target spend as provided by NHS England.
- carrying out sample testing on the mental health expenditure included in the headline calculations and supporting schedules to check whether it meets the definition of mental health expenditure properly incurred as set out in the relevant Group Accounting Manual and Guidance.
- verifying the factual accuracy of the MHIS Compliance Statement based on work undertaken.
- obtaining and considering written representations from the ICB, including:
  - that it has provided us with all the information relevant to the engagement.
  - Confirming their measurement of the underlying subject matter against the applicable criteria and their preparation of the headline calculation on which the statement is based, including confirmation that all relevant matters are included in the Mental Health Investment Standard Statement of Compliance and supporting calculations.

We have examined the records of the ICB, performing such procedures on a sample basis so as to obtain information and explanations which we considered necessary having regard to the guidance issued by NHS England and received such explanations from the management of the ICB in order to provide us with sufficient appropriate evidence to form our conclusion on the Statement.

The scope of our testing covered the total MHIS expenditure included in the Statement only and does not cover the reporting of spend against individual service lines in the expenditure summary.

Our work was directed to those matters which, in our view, materially affect the Statement and was not directed to the discovery of errors or misstatements that we consider to be immaterial. Whilst we perform our work with reasonable skill and care, it should not be relied upon to disclose all misstatements, fraud or errors that might exist.

### **Inherent limitations**

Our objectives are to obtain reasonable assurance about whether the Mental Health Investment Standard Statement of Compliance for the period ended 31 March 2024 is properly prepared, in all material respects, based on the criteria set out in the "Assurance engagement of the mental health investment standard 2023/24 – Briefing Guidance" published by NHS England.

Reasonable assurance is a high level of assurance, but is not a guarantee that a review conducted in accordance with the ISAE (UK) 3000 standard will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the MHIS Statement of Compliance.

Our testing on the mental health expenditure included in the headline calculations and supporting schedules was done on a sample basis.

Our audit work on the financial statements of the ICB is carried out in accordance with our statutory obligations and is subject to separate terms and conditions. This engagement will not be treated as

having any effect on our separate duties and responsibilities as the ICB's external auditor. Our audit report on the financial statements is intended for the sole benefit of the members of the Board of the ICB, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014.

It is not expected for accountants to review clinical opinions.

Our audit work has been undertaken so that we might state to the members of the Board of the ICB those matters we are required to state to them in an auditor's report and for no other purpose. Our audit of the ICB's financial statements is not planned or conducted to address or reflect matters in which anyone other than such members of the Board of the ICB, as a body, may be interested for such purpose. In these circumstances, to the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the ICB and the members of the Board of the ICB, as a body, for our audit work, for our audit reports, or for the opinions we have formed in respect of those audits.

To the fullest extent permitted by law we do not and will not, by virtue of our reports or otherwise, assume or accept any duty of care or liability under this engagement to the ICB and the members of the Board of the ICB, as a body, or NHS England or to any other party, whether in contract, negligence or otherwise in relation to our statutory audits of the ICB's financial statements.

### **Use of the reasonable assurance report**

This report is made solely to the members of the Board of the ICB and NHS England. Our work has been undertaken so that we might state to the members of the Board of the ICB and NHS England those matters we are required to state to them in accordance with NHS England Guidance and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of the ICB, as a body, for our work, for this report, or for the opinions we have formed.

### **Opinion**

#### **Qualified Conclusion**

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

Except for mental health prescribing, Continuing Health Care expenditure and S117 expenditure, in our opinion NHS North East and North Cumbria ICB's Mental Health Investment Standard compliance statement has been properly prepared, in all material aspects, in accordance with the criteria set out in the Assurance engagement of the Mental Health Investment Standard 2023/24 – briefing guidance, published by NHS England.

#### **Basis for Qualified Conclusion**

We have undertaken our review of the ICB's Statement of Compliance having regard to the criteria set out by NHS England in its Assurance engagement of the Mental Health Investment Standard 2023/24 – briefing guidance.

We have identified the following issues that indicate that the ICB's Statement of Compliance has not been properly prepared in accordance with NHS England's guidance:

#### **Mental health prescribing**

- Mental health prescribing – £24.9m (2022/23 – £24.7m). Prescribing expenditure is based on based on extrapolated mental health prescribing spend at month 10 derived from NHS Business Services Authority (BSA) information. Adjustments have been made for multi-use drugs as specified by the Guidance, however percentage reductions have been applied twice. We note that the ICB has adopted a consistent approach to the previous year in this respect.

#### **Mental Health in Continuing Care**

- Continuing health Care (CHC) £36.8m (2022/23 – £35.1m): CHC spend included within MHIS

totals is based on the primary diagnosis as recorded on the clinical patient management system. An adjustment has not been made for learning disabilities or dementia where patients have multiple diagnoses. We note that this is consistent with the approach adopted by the ICB in the previous year.

- Continuing Health Care (CHC) £10.5m (2022/23 – £7.7m): the figure of £36.8m in the exception above includes £10.5m classed in ICB records for monitoring purposes as the Northumberland Place. For CHC spend at Northumberland Place the ICB has apportioned the total CHC spend in the year based on mental health client numbers as a proportion of the total client numbers to estimate the spend attributable to mental health, in effect averaging costs per client. We note that this approach is consistent with that adopted by the ICB in the previous year.

### **S117 expenditure**

- Mental Health Act spend (Section 117) £81.2m (2022/23 – £69.2m): Mental Health Act spend included within the MHIS total is based on the primary diagnosis as recorded on the clinical patient management system. An adjustment has not been made for learning disabilities or dementia where patients have multiple diagnoses. We note that this approach is consistent with that adopted by the ICB in the previous year.
- Mental Health Act spend (Section 117) £7.4m: the figure of £81.2m in the exception above includes £7.4m which is shown in ICB records as relating to Northumberland Place. As in prior years the Northumberland Place has apportioned the total Section 117 spend according to a percentage calculated at the outset of MHIS arrangements based on an exercise undertaken at the time. Consequently, this is based on data that is several years old.



Gavin Barker  
Director

For and on behalf of Forvis Mazars LLP  
The Corner  
Bank Chambers  
26 Mosley Street  
Newcastle upon Tyne  
NE1 1DF  
10 July 2025

### **Enclosure**

NHS North East and North Cumbria ICB's Statement of Compliance 2023/24 dated 10 July 2025