



NHS Financial Statements- Start Here

A first-timer's guide to NHS Annual Accounts Preparation Audit and Presentation

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Annual vs Monthly Reporting

	Annual Accounts	Management Accounts
Lead time	15 WD plus	7WD
Intended Audience	NHS England- consolidation. External stakeholders. Suppliers. Customers.	Operational managers. Board.
Criteria	Actual and Prior Year	Variance: Actual to Budget
Purpose	Range of commercial and other applications.	Management decisions for running and developing the services
Format	Prescribed by NHS England, International Accounting Standards and materiality	Flexible, to suit the organisation's business needs
Audited	Yes	No

Key Success Factors

Understanding the Ask

What Auditors and Execs expect

Advance planning

Organisation of the work

Segregate: preparation and review

Timetable

Control what's going into ledger : Journals

GL Close

Wider organisational engagement

Training and Communication

Addressing the challenges early

Effective External Audit relationship

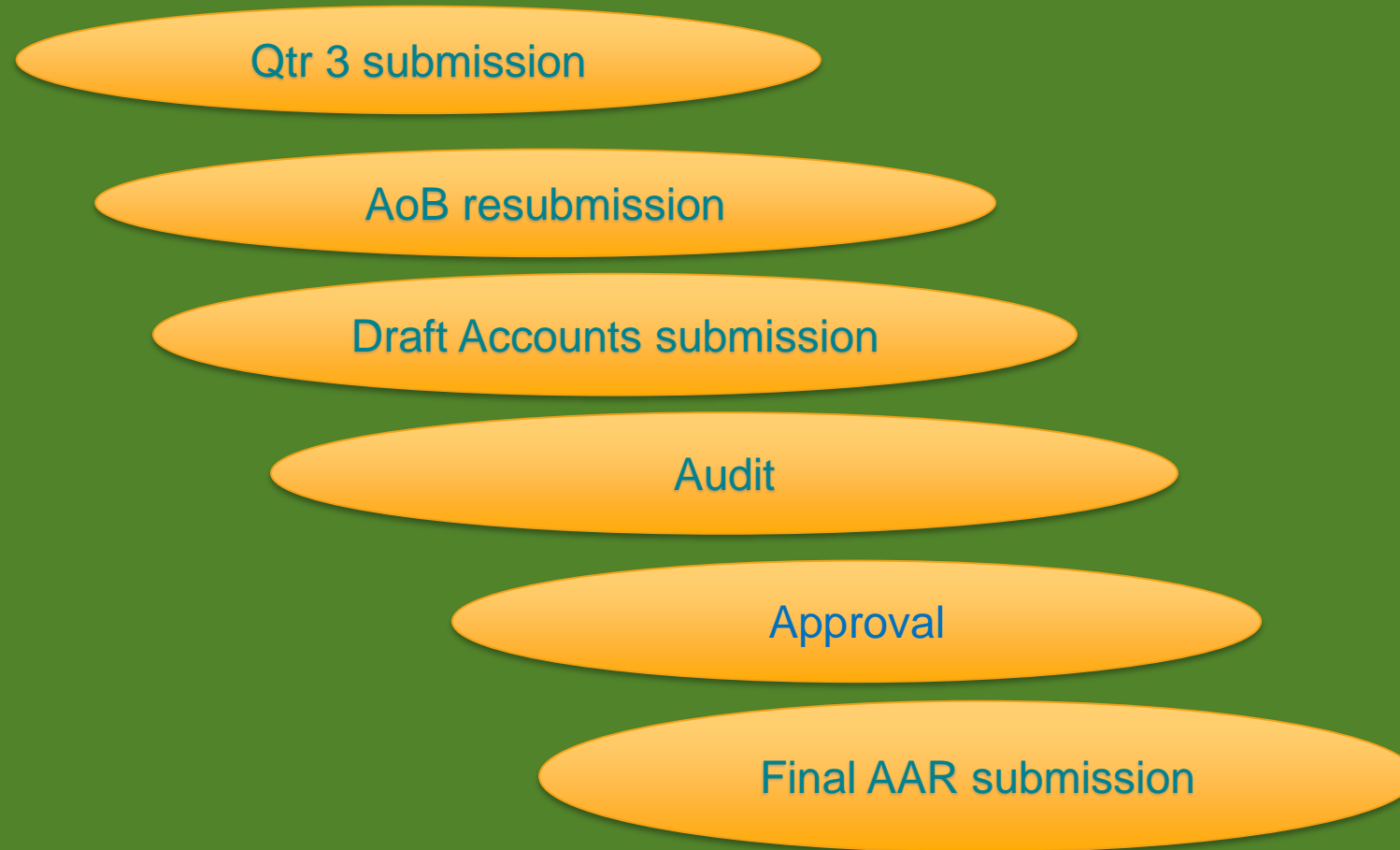
Early sight of TFR / ICB Template forms

Understanding of in-year position

How it all fits together

- Primary Statements- SoCI/SoCNE, SoFP, SOCITE and Cashflow
- Supporting notes
- PFR / ICB Template < LINK > Proforma Accounts
- Agreement of Balances
- Order of completion
- Trial balance
- Management Override of Controls: Accruals
- Accounting Policies and Qualitative notes
- Working papers
- Validation checks

Processes overview



An Order of Working

Run trial balance and reconcile opening balances

M10 review of GL and compare to opening balances

Timetable

Org-wide communications

Planning and Accounting Policies to AC

GL Hard Close WD5 or 6 (ICBs and NHSE will have later hard-close dates)

Final Trial Balance agreeing to reported position

Complete TAC SoFP then SoCI, SOCITE, CFS and supporting notes

Clear validation errors

Overlay Agreement of Balances

Consolidate any charities or subsidiaries

Overlay the accounts proforma

Complete all accounts Notes

Clear any final Annual Reporting and Monthly Return validation errors

Contingency Plan B

Timetable

National milestone dates:

Submission dates: Draft Wednesday 24th April. Audited Friday 28th June
AoB key dates

Local milestone and event dates:

Everything needed to meet the above!

Include:

- Event numbers
- WD numbers
- Departments involved
- Names
- Earliest and latest event dates

Example- timetable extract

	DRAFT	20/02/2024	<Last Updated									
ANNUAL ACCOUNTS TIMETABLE 2023/24												
Event No	Day	Date	Working Day No.	Task Description	Assigned To							
	2024	2024			FM/ Income/ Planning	FA	AR ELFS	AP ELFS	Review	PAY	TS	
10	Monday	22-Jan		Request pensions for Greenbury Disclosures 2023-24						CC		
20	Monday	22-Jan		Complete Opening Balances reconciliation		AA						
30	Wednesday	24-Jan		Run Account Code by Parent report		GG						
40	Wednesday	21-Feb		Circulate YE Time Table following review		BB						
50	Wednesday	21-Feb		Weekly reviews of ARM, Manual for Accounts and Monitor website		BB						
60	Friday	23-Feb		Annual Accounts Training 1	All	All				CC		
70	Friday	23-Feb		Send request to HR and Workforce for information relating to Staffing numbers/Sickness/Redundancy info to be received by 2nd April		AA						
80	Friday	23-Feb		Budget Holders to be reminded to authorise or reject previously sent Purchase invoices to them.	XX,YY			MM, NN				
90	Friday	23-Feb		NHS providers submit second submission of month 9 income/expenditure and receivables/payables AoB to Provider Accounts This submission is made by resubmitting the month 9 PFR file. You should submit the whole form, but only the WGA information will be utilised from this submission. The accounts and in-year monitoring information will not be used and need not be updated. Validation errors can be ignored in this submission, except for the specific agreement of balances validations referred to on the 'Cover' sheet of the form.		AA						
100	Wednesday	28-Feb		Final deadline for submitting requests for senior managers' remuneration information ('Greenbury') to NHS Pensions					BB			
110	Thursday	29-Feb		Annual Accounts Training 2	All	All				CC		

Planning : Provider Trust Example : Stock Count / Valuation

Objective: to count at 31/3/24 for valuation by 4/4/24

Requires:

- Count on or before 28/3/24
- Count range 25/3 to 28/3/24
- Stock sheet creation and distribution by 14/3/24
- Stock counter training by 1/3/24
- Stock procedures by 28/2/24
- External Audit: count date range (attendance?)
- Notify all Service Managers by **23rd Feb 2024**

Org-wide and external communication

Local Authority (s75 agreements)

Pooled budgets

Charities

Subsidiaries and Joint Ventures

March invoicing deadline

March payment dates

Receipt purchase orders

Clear invoices

Stocktake dates and arrangements

Audit dates

Finance and Corporate-wide communications

Exit packages

Greenbury listing

Register of Interests

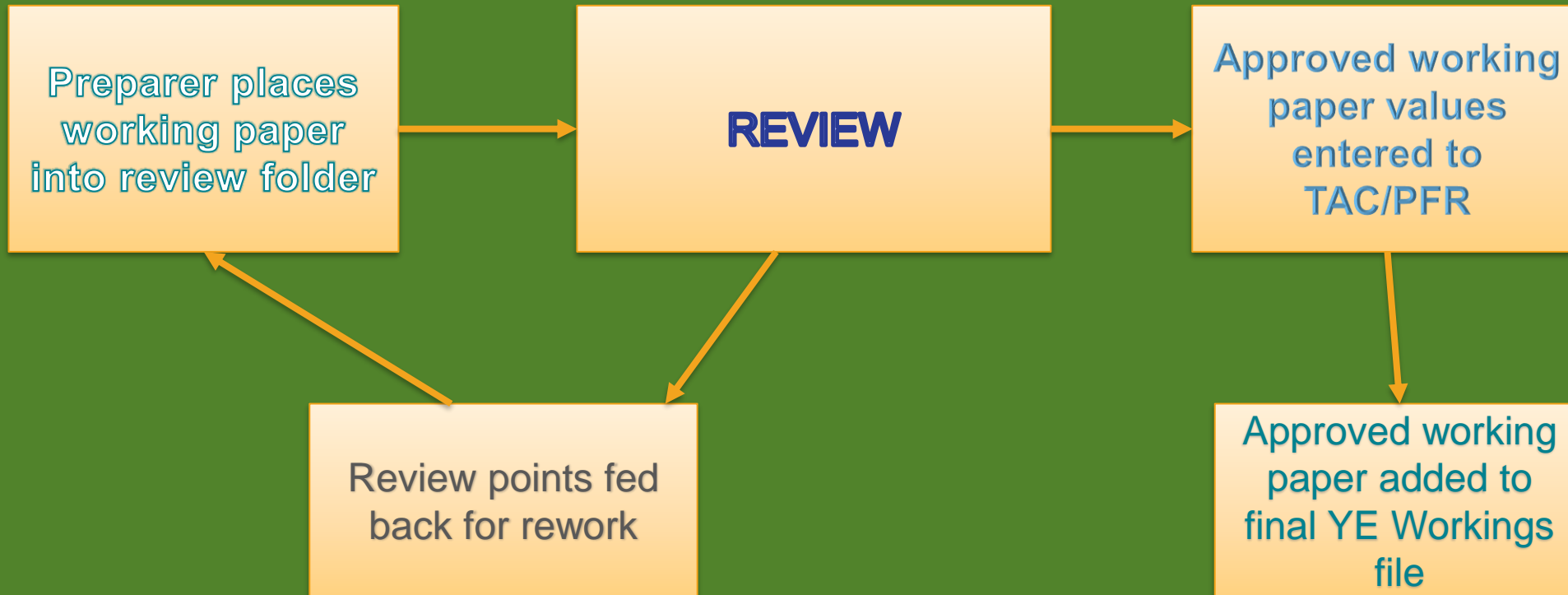
Interim and Final audit dates

Audit requirements PBC

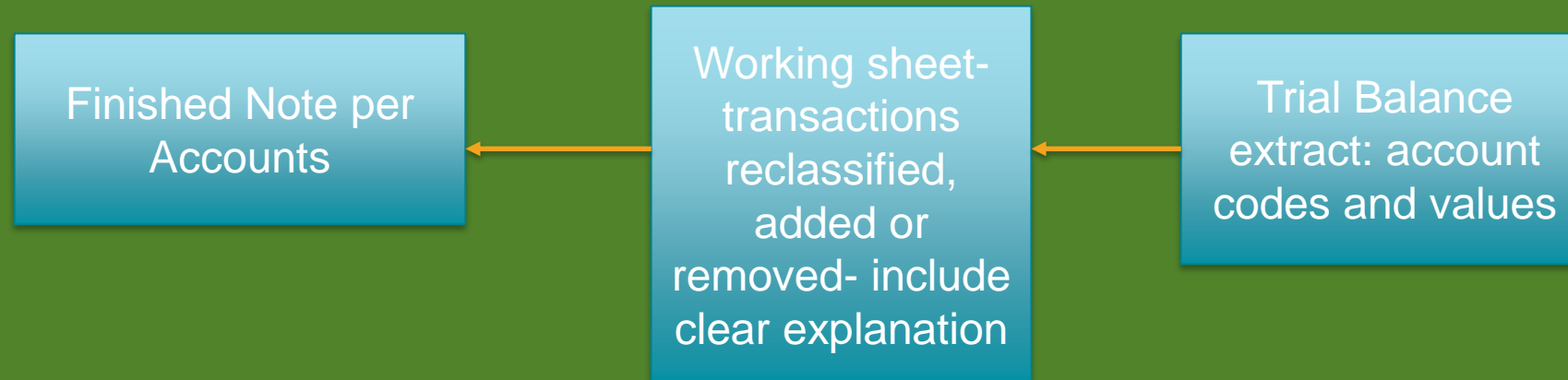
Audit Committee dates

Annual Report components

Quality control throughout review process



Working Papers that Work : a 3- tab workbook



Working papers / 2

Trial balance- latest version

Version control

Traceability- dates and version numbers

Backing documentation- match the values in the Note

Explain: now or later: your choice!

Everything in its right place

Named authors- for each working paper and form

Eliminate roundings, avoid decimals

No external links!

Executives

Financial Position and Adjusted Financial Performance

Analytical Review

Senior Officers:

Names, Pay and Pensions

Professional Services

Bridge from earlier draft results

Consultancy

Special payments

External Audit

Begin with the end in mind

Interim Audit : Opportunity

Pre-planning

Materiality

Analytical review

Judgements and Estimates (eg valuation, provisioning)

Management override of controls

More complex transactions

Managing the Audit

Close and ISA260

Audit Committee

Value for Money

Sources of Guidance

- Group Accounting Manual (GAM)

<https://www.gov.uk/government/publications/dhsc-group-accounting-manual-2023-to-2024>

- Annual Reporting Manual (ARM)

<https://www.england.nhs.uk/financial-accounting-and-reporting/nhs-foundation-trust-annual-reporting-manual/>

- NHS England

<https://www.england.nhs.uk/financial-accounting-and-reporting/>

- Provider Accounts: Portal and emails

- IFRS Standards (IFRS Foundation)

Final Submission : and Afterwards

Breathe!

Create permanent working files

After Action Review

Start planning for the next year-end



Questions

