Combining NHS bodies

Review of 2016/17 accounts

# A practical checklist for mergers and acquisitions

## List of key issues for the chief financial officer

|  | **Place where documentation is held** |
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| Understand the process for the reorganisation. This will be different from reorganisation to reorganisation |  |
| Understand, document and agree the funding arrangements for any financing required for the reorganisation. This will include:* the form of any funding, e.g. public dividend capital, loans or other cash injections
* the timing of its receipt
* any conditions attached to it
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| Obtain copies of the documentation which set out the legalities of the transaction – these may include transfer orders, dissolution orders, transaction agreements, grants of acquisition, or authorisation of merger. The actual documentation may have different names and may be issued by different regulatory bodiesAll of this documentation should be held centrally and made available to the finance team |  |
| Obtain copies of the latest ISA 260 reports and any other reports from auditors for all of the organisations involved in the reorganisation |  |
| Obtain copies of the latest internal audit reports relating to all of the organisations. Identify outstanding recommendations and consider whether they remain applicable |  |
| Identify channels of communication, ensure that they are open to all staff and are kept up to date |  |
| Obtain copies of all sustainability and transformation plans/ partnership arrangements the old bodies were involved with. Ensure that the reorganisation and its impact has been raised and discussed with the appropriate STP |  |
| Ensure that representation on appropriate STP/ health economy committees is retained |  |
| Consider whether STP governance arrangements need to be revised to reflect the new structure |  |
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## SECTION A: CORPORATE GOVERNANCE

| **Corporate governance and committees** | **Deadline** | **Responsible individual** |
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| Agree the strategic objectives and business plan for the new NHS body and assess the financial impact of those plans and objectivesWhere the reorganisation occurs part way through a financial year, agree and submit part-year plans to the appropriate regulator as well as plans for the next full financial yearConsider the arrangements necessary to prepare and submit financial reports for the old bodies up to the vesting date and for the final period of operationEnsure that financial and other returns are made to regulatory bodies both before and after the vesting date(Before vesting) Agree how all of the governing bodies involved will be informed of progress against the project plan so they can act in an integrated way. This may be through a committee structure or an individual post (for example, the chair, governing body secretary or company secretary). Ensure the process is transparent(After vesting) Agree how the governing body will be informed of progress against the project plan. This may be through a committee structure or an individual post (for example, the Chair, governing body secretary or company secretary). Ensure the process is transparentIdentify all standing committees and review their purpose and terms of referenceAgree the new committee structure[[1]](#footnote-1) and develop terms of reference, as necessary, to include:* remuneration committee
* audit committee
* (provider bodies) clinical governance committee
* (CCGs) quality committee

Consider other committees that are an integral part of the governance structure or that are required due to the nature of the NHS body. Agree their purpose, terms of reference and appropriate duration. For example, should they be:* permanent
* time limited – for example, to put in place arrangements that the governing body will govern in the long term or to act as a project oversight committee

Other committees may include:* finance
* risk management
* charitable funds

Establish transparent arrangements for declarations, including:* register of directors’ interests
* register of gifts and hospitality

Production of the annual report and accounts, including all of the signed statementsEnsure standing orders, schemes of reservation and delegation and standing financial instructions are reviewed, revised and approved by the governing body and that they are made available to all existing and new staffAgree and implement robust assurance arrangements including:* internal and external audit plans
* mechanisms for learning from other inspectorate/ review bodies such as the CQC, counter fraud specialists and the Health and Safety Executive

Establish a process for the governing body to share knowledge with – and learn from – partners, service users, staff and stakeholdersEstablish a system for the creation and maintenance of a financial procedures manual including losses and compensations register Ensure that a robust and auditable process exists to report all financial matters transparently to the audit committee and the governing body(Provider bodies) Ensure that arrangements for assurance over the quality of healthcare services continue to the point of demise of the old bodies and from the vesting date of the new. (Provider bodies) Put in place arrangements for the governing body to get assurance over service quality for the whole financial year as part-year quality accounts may not be prepared by old bodies but the quality account covers a full year. |  |  |
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| **Body-level guidance** | **Deadline** | **Responsible individual** |
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| Review existing financial procedures and working practice guidance in all bodies. Consider whether they are fit for purpose for the new body (it may be the new body is sufficiently different to the old bodies that it needs new procedures and no procedures can be rolled over). Write and issue revised financial procedure notes |  |  |
| Find out whether the new body needs a new NHS body code from NHS Digital[[2]](#footnote-2). If a new code is required, ensure that a new code is obtained |  |  |
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| **Detailed due diligence[[3]](#footnote-3)** | **Deadline** | **Responsible individual** |
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| Ensure comprehensive assessment of the costs of change/ merger is made (including any asset write downs and staff redundancy costs)Obtain the most recent set of accounts for each of the bodies involved in the reorganisationUndertake a detailed review of the accounts and raise questions with the teams that prepared them. In particular review:* accruals
* prepayments
* deferred income (particularly research or R&D grants carried forward)
* provisions

All of these items involve an element of judgement. Ensure that the supporting documentation is sufficiently detailed to allow all such balances to be followed upWhere balances are to be carried forward from the old bodies to the new, determine how they will be cleared by the new body and what documentation/ information/ action will be required to allow them to be clearedFor accruals, ensure that a full list of accruals carried forward from the old bodies has been documented and that all accruals are matched to the new body’s payment system so they can be written off as they are paidEnsure that all issues identified in the old bodies’ accounts are acted upon prior to the vesting dateCompare accounting policies to identify any differencesAsk teams to review their own accounts and identify any items which have been rolled forward year on year (these include any items which have been done that way for years without anyone really remembering why)Obtain the most recent asset valuation reports. Consider whether the methodologies used are consistent and whether any amendments will be required to reach consistency. Also consider how impairments have been accounted for to ensure consistencyWhere one or more of the old bodies have been in financial difficulties, determine the actual financial position of the legacy bodies including the level of indebtedness. Ensure that this level of indebtedness has been taken into account as part of the agreement and is covered by any funding agreementUndertake analysis to determine the level of legacy financial difficulties which are recurring. Develop a plan to manage these recurring costsUsing the financial information available, prepare forecasts of key metrics for the new bodies. Develop the necessary plans to improve or maintain these metricsIdentify all subsidiary bodies and joint ventures. Ensure that any share capital is transferred to the new body and that Companies House is appropriately informed. Consider whether the new body will need to prepare consolidated accountsIdentify all joint working arrangements. Ensure that they have been appropriately accounted for. If the joint arrangement was between bodies which are involved in the reorganisation, consider what the new arrangement will be and how it should be accounted forReview the losses and special payments schedule in detail. Try to identify any transactions which could result in a loss or special payment at an early stage |  |  |
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## SECTION B: INTERNAL CONTROL

| **Risk management** | **Deadline** | **Responsible individual** |
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| Review, revise and agree a risk management strategy, policy and procedures. This must include an approach to setting an agreed risk appetite and identifying, evaluating and managing risks to continuing NHS bodies, staff, service users, partners and stakeholdersReview risks of all affected NHS bodies and record them in a risk register. Include the risks associated with the reorganisation and reputation risks that could threaten public confidence and perception of the NHS bodyEnsure that the risk register remains a ‘living’ process and reflects all current and newly emerging risks, both potential and residualEnsure action plans are in place for all risks that the governing body has deemed unacceptable and that these plans are reviewed to ensure that actions have been takenEnsure that there is a process to check that actions taken have reduced or managed the associated risk (i.e. that there is a feedback loop) and that if this is not the case, further action is taken to redress this |  |  |
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| **Internal audit** | **Deadline** | **Responsible individual** |
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| Consider internal audit work both before and after the reorganisation in the light of the risks that it poses and adjust the nature and timing of work accordinglyReview and integrate arrangementsSelect service provider Establish audit working protocols (for example, reporting, service standards)Establish working relationships – consider the benefit of a joint audit committee meeting pre-transferMake arrangements for a head of internal audit opinion to be signed in relation to all closing accounts (including, as necessary, any part-year accounts)Ensure that the service meets minimum standards regarding coverage and planning for the whole financial yearEnsure that reports from the head of internal audit will be available at the end of the financial period covering all systems and bodies in existence during the year (this will be particularly important if the reorganisation occurs part way through the financial year)Review the recommendations register from the merging bodies and carry forward or clear those recommendationsReview outstanding actions and ensure that responsibility for their completion is transferred to the new NHS bodyEnsure that audit is involved in reviewing proposed new systems prior to implementationEnsure that there is audit review of new systems once implementedEnsure that there is a Local Counter Fraud Specialist (LCFS) and an agreed plan in placeEnsure that there is an agreed plan in place in relation to security and potential loss of assets (this is a major risk on reorganisation)Ensure that LCFS and senior management work plans cover the increased risk of fraud and asset loss during times of changeEnsure that the LCFS is involved in fraud and risk assessment for the new body |  |  |
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| **External audit** | **Deadline** | **Responsible individual** |
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| Discuss the reorganisation with external auditors prior to the reorganisation to ensure that they have completed the work necessary at the old bodies prior to the reorganisationDiscuss with the external auditors what evidence they require from both the old and the new bodies[[4]](#footnote-4)Consider what arrangements are necessary to ensure that there is an external auditor appointed at all timesConsider whether external auditor contracts can and/ or should be rolled over or whether the contract should be subject to tenderWhere an external audit contract is to be rolled over for the new body, determine that the external auditor remains independent (the external audit firm may have undertaken non-audit work for one of the old bodies which could compromise their independence of the new body)Consider what, if any, safeguards the audit committee need to put in place to ensure that the external auditor remains independentAgree handover arrangements between the outgoing auditors and the new auditors (re pre-reorganisation accounts/ opening balances)Establish audit protocolsAgree an audit plan Arrange for the audit of any part-year annual report and accounts to be completed on a timely basisReview outstanding actions and ensure that responsibility to complete them is transferred to the new bodyEnsure that links exist and work between external and internal auditEnsure that appropriate external assurances (for example the service auditor report on SBS, ESR and local shared service providers) are received for any systems used prior to the reorganisation by any of the bodies involved even if the system is not used by the new body/bodiesEnsure that any necessary information is obtained to prepare final accounts (for example, information relating to pensions for the remuneration report). In particular, consider whether appropriate information is available relating to demising bodies and the members of their governing bodies |  |  |
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## SECTION C: FINANCIAL SERVICES

| **Banking and cash management** | **Deadline** | **Responsible individual** |
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| Appoint one cash manager with responsibility for overseeing cash management and establish systems to monitor implementation of cash action planIdentify all bank accounts maintained by each of the merging NHS bodiesDetermine new NHS body’s banking requirements including clearing banks, government banking service (GBS), staff banking facilities on siteConsider the need to undertake tender exercise for banking Rationalise bank accounts ahead of the vesting date as much as possibleDetermine interim arrangements if no time is available to rationalise before the vesting dateClose redundant accountsOpen new accountsEnsure continuity of security for cash collection locationsEnsure stationery (especially payable orders (POs) and cheques) is ordered and received with name of new merged body (if applicable) or ensure stocks of stationery are distributed across the new bodyArrange for closure of accounts, transfer of balances and ensure redirection instructions are in placeAgree treatment of outstanding cheques/ POs and bank chargesInform suppliers of change in organisational structure and new payment arrangements (experience shows that this process should be started early and at least two letters should be sent). Inform suppliers that any debts will be pursued by the new organisations and balances will be paid by the new organisationAgree a final date for paying invoices from the ‘old’ bank accountsInform suppliers of the final date for sending invoices to the demising body(NHS trusts/CCGs) Liaise across pre- and post-vesting dates to ensure existing EFL/ CRL targets are achieved and to manage cash at the vesting date(NHS trusts) Ensure that arrangements have been made for the new body to have access to appropriate pigeonholes. In particular, a new cash pigeonhole will be required if there is a new organisational codeIdentify the new NHS body’s likely cash position post reorganisation and prepare forecastArrange working capital facility if appropriate(Foundation trusts) Prepare investment/ treasury management policyDetermine authorisation levels/controls over major cash transactions including short-term borrowingAgree final reconciliation of bank accountsComplete new mandate and forward to banker(s)Set up a GBS account for the new NHS body and inform all NHS bodies of new detailsInform any non-NHS bodies which pay electronically of the new bank details(CCGs only) Notify the NHS England cash funding team of the chief financial officer’s name, the NHS body’s address and the GBS account numberArrange with banker and BACS to ensure continuity of existing BACS and transition to new BACS arrangementsChange bank account references on stationery (for example, receivable accounts)Destroy old stationery including cheques/ POs. Evidence for audit purposesEnsure that all patients’ monies and valuables are accounted for correctly and that relevant staff know how to deal with them consistently across whole body[[5]](#footnote-5) Ensure petty cash facilities are appropriate to needs and that processes for reimbursement are amended as requiredReview franking machine requirements and ensure facilities are in placeReview financial procedure notes from all bodies involved in the reorganisation. Consider whether they are fit for purpose for the new body (it may be the new body is sufficiently different to the old bodies that it needs new procedures and no procedures can be rolled over). Write and issue revised financial procedure notesArrange training for staff (including hospital cashiers, ward and finance staff) so that they can implement revised procedures |  |  |
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| **Payroll[[6]](#footnote-6)** | **Deadline** | **Responsible individual** |
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| Specify payroll service requirements and determine if time constraints will force a period of dual running after the vesting dateWhere payroll service is not provided by a common provider for each NHS body, determine the service provider for the merged bodyIf applicable, discuss new arrangements with ESR and determine their information requirements and timescalesIf applicable, discuss new arrangements with SBS and determine their information requirements and timescalesContinue to liaise with external providers throughout the transferInform HMRC and NHS Business Services Authority (for NHS Pensions) of proposed changesEnsure that payroll dates are understood and aligned (ensure staff are consulted where required)Determine arrangements for payment of statutory deductions and pension contributions and other payroll deductionsIdentify whether any staff belong to any other pension schemes. Contact those pension schemes and inform them of the proposed changesIdentify any staff who retired before 1995 for which payments are being made on an annual or monthly basis. Review the list of payments to ensure that it is valid and take into account when setting budgetsArrange to have the new NHS body’s name added to payslipsEnsure arrangements are in place with the human resources team for input and maintenance of payroll detailsEnsure arrangements are in place for completing final returns for predecessor NHS bodies for tax, national insurance and superannuationReview and standardise notification systems – for example, starter, changes, termination, sickness, holidaysLiaise with human resources team regarding consultation with staff representatives where there are any changes in existing terms and conditions of service (for example, pay date, payment for overtime etc.)Inform all staff of new pay arrangementsEnsure payroll system/ledger, personnel system interfaces are in place and operationalInform staff of any change of tax office as a result of reorganisationAgree arrangements for accounting/clearance of pre-vesting date payroll receivables/payables including national insurance, tax, superannuationConvert payroll expenditure coding to any revised chart of accounts codingSelect service provider (for example, in-house, contracted out, shared services agency)Ensure any new system is properly tested prior to going liveEnsure there is adequate liaison between the existing and new provider for handover of records to ensure a seamless transferReview approach to archiving and retention of old body recordsReview payroll procedure notes from all bodies involved in the reorganisation. Consider whether they are fit for purpose for the new body (it may be the new body is sufficiently different to the old bodies that it needs new procedures and no procedures can be rolled over). Write and issue revised payroll procedure notesArrange staff training – including new starter/ leaver processes (to ensure salary overpayments avoided) Notify the Department of Education of the reorganisation to ensure that the apprenticeship levy digital account is transferred and accessibleLiaise with the human resources team to ensure that any accreditation as a training provider is rolled over to the new organisation so the apprenticeship levy can still be accessed |  |  |
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| **Expenses** | **Deadline** | **Responsible individual** |
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| Specify requirements for system for payment of staff expensesReview existing arrangements for calculating and paying staff expensesDecide on method of payment (i.e. payroll or standalone system)Identify differences in systems, develop unified procedures and policy to ensure common treatment of:* travel expenses
* training expenses
* relocation
* excess travel
* lease cars
* telephones (including mobiles)
* long service awards

Liaise with human resources team regarding consultation with staff representatives where there are any changes in existing terms and conditions of serviceReview and (if necessary) redesign stationeryProduce and distribute new stationeryDestroy old stationery. Evidence for audit purposesAgree officers who will be responsible for authorising claims (refer to schemes of delegation)Select service provider (for example, in-house, contracted out, shared services agency)Inform all staff of revised arrangements, procedures and claim submission datesEnsure arrangements are in place to:* produce and submit end of year taxation returns (P11D and P60)
* transfer lease car contracts to the new trust
* continue lease car insurance

Review approach to archivingReview financial procedure notes from all bodies involved in the reorganisation. Consider whether they are fit for purpose for the new body (it may be the new body is sufficiently different to the old bodies that it needs new procedures and no procedures can be rolled over). Write and issue revised financial procedure notesReview procedures for entering into off-payroll arrangements and consider whether they are fit for purpose for the new bodyEnsure that documentation (for example, copies of the HMRC checklist) relating to off-payroll arrangements is archived and available in case of an HMRC visitArrange staff training |  |  |
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| **Payables (creditors)** | **Deadline** | **Responsible individual** |
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| Review services provided and see if there are consolidation opportunities. Ensure that processes for tender/quotation for services are followed (combined services may change the required procedure under SFIs). Agree/ confirm combined body new tender/ quotes limitsSpecify requirements for payments and determine if time constraints will force a period of dual running after the vesting dateEnsure compatibility with ordering and goods received systemsReview contracts in place and negotiate with suppliers so the new body is able to buy at the best price given to the old bodiesEnsure arrangements are in place to submit purchasing information to NHS Improvement for model hospital metricsIdentify key purchasing staff and ensure that they can continue to order supplies during the transition period Clear all goods received not invoiced balances (GRNI) as soon as the invoice is paid. Investigate any outstanding balancesIdentify payables between merged bodies for internal cancellation with equivalent internal receivable. Ensure that all balances between bodies are the same on both sides (e.g. if body A says it owes body B £500, check that body B has a receivable for £500 not £550), if there is a difference resolve it prior to the vesting date. It is likely that the annual agreement of balances of exercise will take place during the period leading up to the vesting date which should allow special attention to be paid to these balancesIdentify ongoing service contracts (small contracts such as milk delivery, window cleaning as well as the more obvious such as servicing of medical equipment) and decide whether these contracts need to be terminatedIdentify any service level agreements (SLAs) with other NHS bodies to determine whether those agreements should continueIdentify any penalty clauses in contracts for early termination of contracts Review supplies team processes and ensure they are amended as requiredEstablish service provider (for example, in-house, contracted out, shared services agency)Ensure payables payment system interfaces with ledger accountingEnsure processes are in place to monitor and report on performance against the Better Payment Practice Code Review and (if necessary) redesign stationeryProduce and distribute new stationeryDestroy old stationery. Evidence for audit purposesInform suppliers and users of address for invoices/queriesDetermine frequency of payments and establish timetable to operate from vesting date. Harmonise payment dates if operating with two or more systemsDetermine arrangements for new corporate payments, for example, PDC dividends, repayments of loans from the Department of HealthReview payables, decide on reference methodology and eliminate redundant/duplicated referencesIdentify common payables of merged NHS bodies and determine if payments can be consolidatedEnsure bank details are obtained and reviewed for payables paid by BACSDetermine authorisation limits and identify staff that can authorise payments. Consider whether the authorisation limits are still applicable or whether they should be changed. Obtain governing body approval of the new listSeek to clear up all outstanding payable queries and paying as many invoices as possible prior to closure of accountsEnsure that any balances which are carried forward to the new organisation are fully documented (assume that all of the knowledge of the history of the balance will be lost on the vesting date)Ensure all carry forward balances are reconciled and intra-NHS body balances cleared (this is particularly important if the vesting date is not at the year end. It will be important at the year end to identify which balances relate to which NHS body)Determine how any payables carried forward from old bodies are going to be cleared in the new body’s accountsReview all provisions/accruals carried forward and understand the basis on which they were made. Put in place arrangements to monitor developments so the provision can be released when necessary and accruals are appropriately written off as payments are madeReview approach to archivingInform all users of payment systems and proceduresReview financial procedure notes from all bodies involved in the reorganisation. Consider whether they are fit for purpose for the new body (it may be the new body is sufficiently different to the old bodies that it needs new procedures and no procedures can be rolled over).Write and issue revised financial procedure notesArrange staff training |  |  |
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| **Receivables (debtors)** | **Deadline** | **Responsible individual** |
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| Specify requirements for receivables system and determine if time constraints will force a period of dual running after the reorganisation dateEvaluate and compare existing systems against new NHS body requirements. Compare to other systems if appropriatePrepare new receivables policy for credit terms, recovery, legal action, write-off, de minimis levels etcIdentify receivables between merged bodies for internal cancellation with equivalent internal payable. Ensure that all balances between bodies are the same on both sides (e.g. if body A says it owes body B £500, check that body B has a receivable for £500 not £550). It is likely that the annual agreement of balances of exercise will take place during the period leading up to the vesting date which should allow special attention to be paid to these balancesReview arrangements where payments are made by instalment and amend as requiredEnsure all outstanding debts are paid prior to vesting date wherever possible Review all receivables carried forward into the new body prior to the vesting date to ensure that:Where the reorganisation is one to many, the appropriate new body is identifiedAll necessary evidence is available so that the receivable can be chased and recoveredDecide a final date for payments to be made into the ‘old’ bank accountsDecide how historic debts from the predecessor NHS bodies will be recognised on the new ledger systemsEnsure staff are aware of new policiesAgree post-reorganisation debt recovery service if via more than one external supplierReview NHS bodies’ receivables’ registers eliminating duplications and redundant receivablesReview and, where appropriate, write off irrecoverable debts in the books of predecessor NHS bodies (i.e. include in pre-vesting date accounts). This should be done in detail on a balance by balance basis. If the debt cannot be written off, consider whether any impairment is necessaryInform the Compensation Recovery Unit of the reorganisation and provide them with the appropriate contact details[[7]](#footnote-7)Review and redesign stationery – to include new VAT number and GBS/ bank account detailsDestroy old stationeryEnsure all carry forward balances are reconciled and intra-NHS body balances cleared (this is particularly important if the vesting date is not at the year end. It will be important at the year end to identify which balances relate to which NHS body)Review all prepayments and ensure that the good/service which has already been paid for is received in the futureReview approach to archivingReview financial procedure notes from all bodies involved in the reorganisation. Consider whether they are fit for purpose for the new body (it may be the new body is sufficiently different to the old bodies that it needs new procedures and no procedures can be rolled over).Write and issue revised financial procedure notesArrange staff training |  |  |
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| **Value added tax** | **Deadline** | **Responsible individual** |
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| Inform HMRC of reorganisationIf necessary, obtain new VAT registration and VAT numberArrange submission of pre-reorganisation VAT returnsRecalculate partial exemptionReview operations and activities of the new NHS body making best use of existing recovery arrangementsConsider the adequacy of in-house expertise and whether or not external consultancy services are requiredWhere old bodies have used more than one consultancy service, consider the need to tender for the new serviceEnsure the correct VAT number appears on all relevant stationeryTrain staff and provide guidance in identification and recoveryReview financial procedure notes from all bodies involved in the reorganisation. Consider whether they are fit for purpose for the new body (it may be the new body is sufficiently different to the old bodies that it needs new procedures and no procedures can be rolled over). Write and issue revised financial procedure notes |  |  |
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| **Insurance and claims** | **Deadline** | **Responsible individual** |
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| Contact NHS Protect to inform them of NHS bodies affected by reorganisation so that all insurance cover and claims can be amalgamated and new reference numbers allocatedContact all other insurers to inform them of the NHS bodies affected by the reorganisation so that cover can be continued and claims continue to be dealt withDetermine insurance requirements for the new NHS body and ensure portfolio of required cover is in place by the vesting date – liaise with NHS Protect in relation to clinical coverConsider the need to go out to tender for insurance coverSecure agreement from NHS Protect that ongoing clinical negligence claims under the CNST scheme will be honoured and ongoing cover providedEnsure that the new body has access to all of the old body’s claims history on the NHS Protect’s extranetArrange insurance of any charitable fund property (including arrangements for acquisition and disposal)Rationalise arrangements for claims managementWrite and issue revised procedure notesArrange staff training |  |  |
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| **Non-current assets** | **Deadline** | **Responsible individual** |
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| Ensure that the appropriate dissolution, establishment and transfer orders or contractual agreements have been issued transferring the assets and liabilities (note that this applies to current assets and liabilities, not just non-current) to the new NHS body. In some cases, there will be a change to the establishment order rather than a dissolution order. Ensure that these have been appropriately filed and are available to all relevant staff(Provider bodies) Agree approach to financial restructuring with finance leads at NHS Improvement in relation to both:* managing the transfer of PDC balances
* any additional funding for the reorganisation

Identify all property, plant and equipment in existence before the vesting date and confirm ownership Ensure that all documentation relating to property is transferred and properly archivedInform the Land Registry of changes of ownership(Foundation trusts) Ensure that the register of assets used for providing Commissioner Requested Services is updated as required by NHS Improvement’s licenceDetermine whether there are any legal charges[[8]](#footnote-8) on any property. Ensure that the body that holds the legal charge is informed of the reorganisation and given new contact detailsWhere possible, physically verify all property, plant and equipment. Where this is not possible, consider whether write-offs are requiredAgree property, plant and equipment to be retained, disposed of and transferredIf different asset registers are maintained, agree a date when they will be merged onto one systemReview valuation methodologies and ensure that they are consistent. Consider whether a new valuation[[9]](#footnote-9) is required to ensure consistency of valuationReview capitalisation policies, particularly around IT equipment and staff costs, and determine a single approachWhere there is a change in valuation methodology or capitalisation policy, agree necessary amendments and prior period adjustments with the external auditorEnsure that the revaluation reserve is mapped/ linked to non-current assets. Where assets are disposed of, make sure that the revaluation reserve is also written out of the accountsDetermine which equipment is under warranty or has a service contract and ensure that the necessary documentation is identified and appropriately filed or archivedReview useful asset lives in the light of the merged body’s operational planReview values and accuracy of equipment register and write off any errors as appropriateReview adequacy of existing asset register(s) and develop/revise/amend as necessaryEnsure system(s) can fulfil capital accounting requirements Ensure that there is an effective policy and procedure notes for managing assetsEnsure that if the asset register is not integrated, it interfaces with the ledger systemCheck inventory of all assets including those ‘non accountable’ assets below the capitalisation threshold Identify any property income and arrange for collection of rentalsReview all existing leases and terminate/ renegotiate as necessary Ensure that all lease documentation is properly filed and archivedIdentify any leases which are held at a peppercorn rentIdentify all contracts with NHS Property Services Ltd and Community Health Partnerships. Inform them of the reorganisationInform lessors of equipment of the transfer to new NHS body Ensure that partner NHS bodies involved in LIFT and/or PFI arrangements are informed of reorganisation plans and progressEnsure that any capital schemes and PFI/ LIFT projects are identified and agreements/paperwork etc. retainedReview financial procedure notes from all bodies involved in the reorganisation. Consider whether they are fit for purpose for the new body (it may be the new body is sufficiently different to the old bodies that it needs new procedures and no procedures can be rolled over). Write and issue revised financial procedure notesArrange staff training |  |  |
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| **Current assets and liabilities** | **Deadline** | **Responsible individual** |
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| Map the statement of financial position for all bodies to identify any intra-body balances and eliminate themReview all payable/ receivable balances. Make sure that outstanding/ disputed balances are recorded along with supporting informationWrite off debts, write back payables to pre-reorganisation period where appropriateVerify and agree accounting treatment of pre-vesting date balances including carry forward Identify any assets/ liabilities that have a significant impact on post-vesting date cash – for example, early retirements, redundancies. Agree accounting treatmentEnsure all control account reconciliations have been completed. Document any reconciling balances in full so that they can be followed upReconcile opening balances to pre-vesting date accounts of predecessor NHS bodies in both the published accounts and any submission schedules Identify all inventory held by all bodies (including ward stocks which may have been expensed)Review stocktake procedures in the affected bodies. Ensure that the final stocktakes are undertaken on a consistent basisVerify inventory balances/ values on transferReview financial procedure notes from all bodies involved in the reorganisation. Consider whether they are fit for purpose for the new body (it may be the new body is sufficiently different to the old bodies that it needs new procedures and no procedures can be rolled over). Write and issue revised financial procedure notesArrange staff training |  |  |
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| **Annual report and accounts[[10]](#footnote-10)**  | **Deadline** | **Responsible individual** |
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| Maintain systems to enable the parallel preparation of pre-reorganisation annual report and accounts for all predecessor NHS bodiesReview guidance from all appropriate regulatory bodies to ensure that all of the necessary documents are produced in the correct format. This includes:* the governance statement
* the remuneration report
* staff report
* quality report[[11]](#footnote-11)

An ‘annual’ report and accounts must be produced for each NHS body up until the date of dissolution. Where a reorganisation occurs part way through a financial year, ensure that part-year accounts are prepared Ensure that governance statements are prepared which cover all of the financial year. These will include head of internal audit opinions for the whole of the financial year (several statements and opinions may be required to cover the whole of the financial year)Where part-year accounts are prepared ensure that all intra-NHS balances are agreed with counter parties (this may be difficult if the period end does not coincide with a national agreement date but it is worth doing at the time to make the year end process smoother) Review all reserves in old bodies’ accounts to determine whether they will be carried forward to the new body. Where they are carried forward ensure that there is sufficient documentation of the basis for the establishment of the reserveProduce and agree a timetable for completing all sets of annual report and accounts. This timetable should cover the whole of the process including the agreement of balances exercise, the annual report, governance statement, accountable/ accounting officers’ statements and audit as well as the preparation of the accountsIdentify key staff and their responsibilities Plan for absence of key staff and consider the need to use temporary staffObtain commitment from all merging/demising NHS bodies to completion of accountsDetermine what assurances the continuing bodies governing bodies will want from the demising bodies’ governing bodies and put in place arrangements to receive those assurancesBrief the relevant governing bodies and audit committees on their responsibilities in relation to the demising bodies’ annual accounts (the continuing bodies’ committees will have to sign off the demised bodies’ annual report and accounts)Ensure that the continuing body signs off the accounts of all demised NHS bodiesEnsure that there are clear arrangements for producing the annual report and accounts and holding the AGM for all bodies (including those which have demised during the year), where necessaryAgree an audit schedule and timetable for working papers production with the external auditors (the auditors of the demised bodies will audit the final annual report and accounts for that body)Where there are several auditors involved, co-ordinate the audit schedules and timetables with the different auditorsIdentify all bodies that provide information which is required in the annual report and accounts (this will include shared service providers as well as organisations such as the NHS Business Services Authority)Arrange for the receipt of the necessary assurances, usually in accordance with the International Standard on Assurance Engagements number 3402 (ISAE 3402), in relation to key systemsReview the assurances to identify any weaknesses which may impact on the audit reportDiscuss with all auditors what third-party assurances they will require and arrange for those to be provided by the appropriate auditorReview and address any inconsistencies in accounting policies or estimation techniques between NHS bodiesReview accounts preparation processes at each of the old bodies and identify inconsistencies. Particularly consider the use of journals at the period or year end, for example, whether permanent or reversing are used. Ensure that the appropriate action is taken to roll balances forwards once and only one. Do not assume that all bodies involved in the reorganisation take the same approach to period and year end journalsEnsure that all closing balances are appropriately rolled forward. Undertake a reconciliation between closing and opening balances to ensure that no balances are ‘lost’ in the reorganisation |  |  |
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| **Financial ledger** | **Deadline** | **Responsible individual** |
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| Establish the requirements of the new NHS body for a single ledger systemEnsure all staff have appropriate access to both the old body’s ledgers and the new Ensure access is properly transferred and working practices are communicated(CCGs) Ensure that the necessary arrangements for access to ISFE have been made (access will be required to old body as well as new body ledgers)Determine whether any decision about the future ledger forms part of a broader strategy for integrated financial systemsUndertake a detailed review of suspense codes and clear them as necessaryUndertake a detailed review of control codes and delete them as necessaryDetermine whether time constraints will force a period of dual running after the vesting dateReview existing ledger systems and charts of accounts to establish commonality, functionality and scope for integrationEvaluate the current chart of accounts against statutory annual accounting guidance and management reporting requirements, including reporting to the governing body and regulatorsWhere possible, provide integrated financial reports to the governing body before the vesting date or move all bodies towards the use of the same reporting template ahead of vesting dateIdentify archive requirements and ensure that data/information is extracted and stored in an easy to access format. This also applies to all feeder systems to the ledger Evaluate options to meet needs (for example, procure new, migrate to single existing system)Select suitable systemEnsure superseded system(s) are maintained to enable the production of annual accounts for the accounting period prior to reorganisationEvaluate ability to interface with other potential systems (for example, payroll, payables, receivables, personnel, BACS, contracting, supplies, capital systems)Design a revised chart of accounts, test and installConsider whether a completely revised chart of accounts is required for the new body or whether the old bodies’ charts can be merged. Understand the advantages and disadvantages of each approachEstablish control procedures (for example, passwords, journal input etc)Define and set up standard reports for budgetary, statutory and management reportingEnsure applicable coding structure is notified to all users Ensure all required interfaces are in operationEnsure arrangements are in place for the transfer of closing balances from the old to the new systemProduce a timetable for ledger close-downEnsure full testing and parallel running if possibleHave a contingency plan prepared and ready for implementationEnsure proper and effective communication/controls are in place between multi-site/location finance teamsReview financial procedure notes from all bodies involved in the reorganisation. Consider whether they are fit for purpose for the new body (it may be the new body is sufficiently different to the old bodies that it needs new procedures and no procedures can be rolled over). Write and issue revised financial procedure notesArrange staff training |  |  |
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## SECTION D: CHARITABLE FUNDS[[12]](#footnote-12)

| **Charitable funds[[13]](#footnote-13)** | **Deadline** | **Responsible individual** |
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| Ensure the appropriate transfer order/ Statutory Instruments enabling transfers has been secured[[14]](#footnote-14)Determine how the charitable funds of the old body are being transferred to the new and determine the appropriate accounting treatment depending on the substance of the transactionObtain full details of all funds (i.e. their purpose)Consider trustee arrangements for the charitable funds (remain a corporate trustee arrangement or move to an independent charitable fund)Check registration requirements with the Charity Commission and comply with themEnsure that all documentation has the correct Charity Commission registration number on itWhere there is a corporate trustee, consider whether the merger has an impact on the materiality of the charity in relation to the NHS body. Determine whether the charitable funds need to be consolidated or notWhere there has been a change in consolidation arrangements[[15]](#footnote-15), discuss the impact with NHS ImprovementEnsure the structure of investments accords with charities investments legislationRationalise bank account arrangementsClose as many bank accounts as soon as possibleEnsure arrangements are in place to complete pre-vesting date accountsArrange transfer of stock certificates to new charity name, including any held by a nominee service[[16]](#footnote-16)Agree arrangements for obtaining investment advice including an appropriate committee to monitor and report to the NHS charity’s trusteesEnsure arrangements are in place for managing investments – for example, establish a pooled investment vehicle, tender for investment advisers or appoint a firm for a period, say two years, then subject to tenderWhere needed, identify fund advisers to manage fundsDetermine an investment policy – for example, restrictions on investments to tobacco firmsAdvise those involved of their responsibilities as trusteesDetermine expenditure limits, authorising officers and uses of funds Determine reporting requirementsReview financial procedure notes from all bodies involved in the reorganisation. Consider whether they are fit for purpose for the new body (it may be the new body is sufficiently different to the old bodies that it needs new procedures and no procedures can be rolled over). Write and issue revised financial procedure notesArrange staff training |   |  |
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## SECTION E: FINANCIAL MANAGEMENT

| **Financial planning** | **Deadline** | **Responsible individual** |
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| Establish financial outturn for all NHS bodies prior to the vesting dateConsult with NHS Improvement/ NHS England to: * agree new control totals for new bodies
* determine performance against previously agreed control totals
* agree whether a new annual plan is required

(Providers bodies) determine how much of the sustainability and transformation fund (STF) is available to the new body and the financial and performance conditions attached to itReview the cost improvement programmes (CIPs) of all of the affected NHS bodies and determine a new programme for the new bodyIdentify existing financial commitments of all NHS bodiesIdentify and remove any inter-NHS body trading, receivables and payablesFormulate a financial plan in line with current best practice and submit to the governing bodyDevelop new financial reporting arrangements for the merged body. Where possible, move towards a common reporting approach prior to the vesting date |  |  |
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| **Budgeting** | **Deadline** | **Responsible individual** |
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| Agree process and timetable for establishing base budgets (both revenue and capital)Ensure that budgets are set taking into account the new body’s aims, objectives and business plansReview budgeting assumptions and consider if they are still valid following the reorganisationIdentify and appoint budget managers/holdersPrepare base budgets Discuss and agree provisional base budgets with budget holdersAmend budgets to reflect any changes in activity and resources resulting from discussions with commissioners/ providersDiscuss and agree any changes to proposed base budgets with budget holdersObtain approval of base budgets from the governing bodyNotify budget holders of approved base budgets and activity levelsReview and update the budget manual and budgetary control policy and proceduresAgree format and content of budget holder reports Ensure that budget holders are aware of their budget responsibilities and arrange training as necessary |   |  |
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| **Commissioning/ contracting** | **Deadline** | **Responsible individual** |
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| Examine the existing approach to contracting (for example, coverage of national tariff, contract types)Identify all contractual commitments (with commissioners/providers, leases, PFI schemes) at the vesting date and determine whether the new body is required to honour those commitmentsEstablish an approach to contract negotiation and monitoring for the new NHS bodyEstablish a lead for the agreement and management of contracts for the new merged NHS body and agree with purchasers the arrangements for negotiation(Providers only) Apply to the NHS Improvement pricing team for calculation of a new MFF value for the new trust, in accordance with the latest guidance[[17]](#footnote-17)Ensure that there are rigorous contract monitoring and management arrangements for the merging NHS bodies in the pre-reorganisation periodEnsure that all contractual disputes are documented and have appropriate ownership prior to the reorganisation Determine the arrangements in the new body for resolving all disputes, including those carried forward from the old bodiesIdentify all risk share/ gain share arrangements which are in place prior to the reorganisation to ensure that they are either terminated or continued after the reorganisationIdentify all of the pooled budget arrangements (s75 agreements) that the old bodies are party to and ensure that they are either terminated or the agreements are revised to allow them to be continued by the new body Model purchase activity profiles against existing informationModel the financial impact of the anticipated contracts on each commissioner (CCGs and NHS England) and review the financial constraints, risks and performance incentives/disincentives which may ariseHold discussions with providers/commissionersAssess income levels expected under national tariff (including the revised MFF) as well as other contracts and the impact on budget setting |  |  |
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| **Financial monitoring**  | **Deadline** | **Responsible individual** |
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| Review existing arrangements for reporting on finances during the year in all NHS bodies – select best aspects from all reports to boardIdentify appropriate interim reporting arrangements to ensure that financial control remains a priorityEstablish governing body reporting requirements and timescalesEstablish a system to deliver appropriate financial reports in support of the revised management arrangementsDevelop relevant pro formasEnsure that arrangements are in place for submitting monitoring returns for the new NHS bodyComplete monthly monitoring returns for the new NHS bodyComplete outturn reports for continuing NHS bodies and reconcile with annual accountsInput financial element into continuing NHS bodies’ annual reports |  |  |
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| **Costing and reference costs**  | **Deadline** | **Responsible individual** |
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| Review existing costing systems, data feeds and national data collection return arrangements and determine best practice going forwardReview existing costing procedures and working practice guidance in all bodies. Consider whether they are fit for purpose for the new body and meet the requirements of the NHS Improvement costing standards[[18]](#footnote-18) for England. Identify any inconsistencies between approaches and determine the most appropriate approach for the new bodyWrite and issue revised costing procedure notesCollate all national cost collection returns (reference costs and/ or PLICs) for the old bodies and any reports (external and internal) on the costing systems to undertake due diligence on the arrangements[[19]](#footnote-19)Identify appropriate interim reporting arrangements to ensure that costing and national cost collection returns remain a priorityEstablish governing body reporting requirements and timescalesEstablish a system to deliver appropriate financial reports in support of the revised management arrangementsDevelop relevant pro formasEnsure that arrangements are in place for submitting national cost collection returns for the new NHS bodyComplete necessary returns for the new NHS body |  |  |
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## SECTION F: FINANCE STRUCTURES AND STAFFING

The finance team will have a more general input into NHS body and management structures as well as costing those revised staffing structures. If possible, and both chief financial officers agree, it is useful to swap staff between the old NHS bodies before the vesting date. This will help with integration and understanding of the differences in systems, controls and approaches. It is also a good way of identifying good practice that can be carried forward to the new NHS body. In the period prior to reorganisation the use of temporary contracts/ agency staff should be considered. This is often essential as the uncertainty that accompanies reorganisations tends to lead to a loss of staff.

| **Finance structures and staffing** | **Deadline** | **Responsible individual** |
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| Appoint a chief financial officerIdentify interim management arrangements where required. This will depend on the time available prior to the vesting dateDetermine the role and responsibilities of the finance function within the new management structureDevelop the structure of the new finance function based on its new role and responsibilities (do not assume that the new finance function will require the same people with the same skill sets as the old and do not do this with particular members of staff in mind. Assume that staff will leave as a result of the reorganisation)Produce a finance team structure to meet its identified role within agreed management cost envelope, including CIPs requirements Agree how functions should be provided – for example, in-house, contracted out, shared services agencyCompare proposed staff numbers/costs with existing establishment against any targets setDiscuss the proposed structure with staffObtain the approval of the chief executive and governing body to new structurePrepare job descriptions, Knowledge Skills Framework (KSF) and arrange for grading under Agenda for ChangeLiaise with the human resources team over implementing changes and consultation with staff representatives in line with agreed organisational change policiesCheck that the organisation’s management of change policy is up to date and the proposed changes comply with itLiaise with the human resources team over any redundancy or early retirement programmes to ensure that they have been appropriately costed and provided forAppraise existing staff and match to structureIdentify ‘at risk’ staff in all bodies and arrange one to one discussionsIdentify all staff on inward or outward secondment and determine whether that arrangement should continue or be terminatedArrange outplacement counselling, CV refresher courses and Employee Assistance Programmes for staffIdentify and address any salary differences, including part time proposalsAppoint staffIssue new contracts of employmentAgree objectives with staffReview agency and off-payroll arrangements to ensure that they are consistentReview existing systems, data feeds and national data collection return arrangements in relation to agency and consultancy staff costs and determine best practice going forwardIdentify training needs arising from the reorganisationAgree revised personal development plans, induction programmes and KSFs as necessaryArrange a programme of training to meet identified needsAgree timings and organise hand-over of work based on the new staffing structureInform all internal and external contacts of revised structure and responsibilities of individuals |   |  |
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## SECTION G: INFORMATION AND COMMUNICATIONS

| **Information technology systems** | **Deadline** | **Responsible individual** |
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| Identify and standardise software needs – for example, adopt common spreadsheet/ word processing applicationsIdentify all software licences held, identify any early termination penalty clauses, rationalise licencesIdentify hardware needs, standardise and purchase new equipmentIdentify and dispose of surplus equipment securely (risk of old IT kit not being wiped properly/ ending up on eBay!)Ensure that security access issues are resolvedEnsure back-up arrangements are in placeReview any bureau arrangements, place on service level agreement basisCheck that all finance/external system interfaces are operational (for example, BACS, payroll)Develop a policy on use of work computers and communicate the new policy to employees |   |   |
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| **Communication and information flows** | **Deadline** | **Responsible individual** |
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| Ensure communication links and networks are in place and working – for example, email, links with other bodiesCompile and circulate finance staff directory, mailing and distribution lists to all users Review and harmonise all standard documents and stationeryEnsure staff are fully informed of all changes Ensure that other NHS bodies are informed of all changes – for example, agreement of balances contacts are updatedNotify all regulatory bodies of changes to email contacts – for both the old and the new bodies (both will need to be contacted in relation to the closedown of the accounts of the old bodies as well as the accounts of the new)Create common filing systems and agree standard office systems Establish routine briefing and other departmental meeting arrangementsUpdate finance team business plan and circulate |  |  |
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| **Non-financial information[[20]](#footnote-20)** | **Deadline** | **Responsible individual** |
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| Identify all systems for collecting non-financial information. For example, the quality metrics reported in the quality account/ quality report, data collected for national returns such as the ERIC returns, data required for model hospital metrics or RightCare data packsSpecify requirements for each material system and determine if time constraints will force a period of dual running after the reorganisation dateEnsure that arrangements are in place to avoid any data being lost when systems are changedReview existing systems, data feeds and national data collection return arrangementsEvaluate and compare existing systems against new NHS body requirements. Compare to other systems if appropriateReview existing procedures and working practice guidance in all bodies. Consider whether they are fit for purpose for the new body and meet the requirements of any external bodies such as NHS Improvement, NHS England and NHS Digital. Identify any inconsistencies between approaches and determine the most appropriate approach for the new bodyWrite and issue revised procedure notesEnsure staff are fully informed of all changes  |   |   |
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## SECTION H: TENDERING FOR SERVICES

| **Tendering for services** | **Deadline** | **Responsible individual** |
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| Consider the impact of the EU procurement directives on the new body (if it is a larger body than its predecessors, its contracts may be of a higher value so the EU procurement directive thresholds may breached for the first time)Prepare service specificationsPrepare draft tender and contract documentsIdentify potential service providersEstablish tender evaluation criteria and proceduresInvite tendersUndertake initial tender evaluationArrange interviews and presentationsAppoint service providerAgree implementation timetableArrange post-implementation review |  |  |
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## SECTION I: BUSINESS COMBINATION SPECIFIC COSTS

| **Business combination specific costs** | **Deadline** | **Responsible individual** |
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| Identify those costs which will be incurred directly as a result of the reorganisation, such as:Training and new organisational induction* branding
* signage
* uniforms
* contract termination costs
* website costs
* rewriting and reprinting corporate publications

Ensure that the relevant costs are included in the new body’s budgetWhere necessary, tender for contractsIdentify appropriate budget managers and ensure that they understand their responsibilitiesIdentify the indirect costs of the reorganisation – for example, managers’ time in integration meetings. Assess this cost and determine whether additional resource is required to ensure that the day to day work is not neglectedIdentify the day to day work which does not need to be done as a result of the reorganisation (for example, staff working at a demising body do not need to prepare financial plans as this will be done by the new body) and ensure that this time is being used productively |  |  |
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1. All NHS bodies are required to have a remuneration committee and an audit committee. It is for the body to decide what other sub-committees, if any, are required. [↑](#footnote-ref-1)
2. <https://digital.nhs.uk/organisation-data-service> [↑](#footnote-ref-2)
3. Before the decision to reorganise is made there will be a due diligence process. However, experience shows that once the decision is made the finance departments need to undertake a detailed, line by line due diligence on all affected bodies’ accounts. This will be particularly important where an NHS body is being split between continuing bodies as it will be vital that the accounts can be split appropriately. The advice is to start this work as soon as possible, before the vesting date. The work should be done by finance staff in all of the bodies affected by the reorganisation working in a coordinated manner. [↑](#footnote-ref-3)
4. Read the findings of the Quality Assurance Department reviews of 2014-15 audits of NHS foundation trusts in relation to part year accounts - <https://improvement.nhs.uk/resources/review-audits-nhs-foundation-trusts/> [↑](#footnote-ref-4)
5. For detailed guidance on patients’ monies, see Practical guide - patients’ monies and belongings, HFMA, 2017 [↑](#footnote-ref-5)
6. The human resources team should be closely involved in all stages of the process when establishing payroll arrangements for the new NHS body. Indeed it may be that the human resources director has responsibility for payroll, in which case the finance team needs to be closely involved with him or her. [↑](#footnote-ref-6)
7. [www.gov.uk/government/publications/nhs-injury-cost-recovery-scheme](https://www.gov.uk/government/publications/nhs-injury-cost-recovery-scheme) [↑](#footnote-ref-7)
8. A legal charge will often arise when a third party provides finance to purchase a property. That third party will be entitled to some of the sale proceeds in the event that the property is sold. [↑](#footnote-ref-8)
9. There is no automatic requirement for a revaluation of non-current assets as a result of a reorganisation. However, if valuation methodologies are different or the reorganisation causes changes to useful economic lives then a revaluation may be required. [↑](#footnote-ref-9)
10. Consult the latest guidance on the Department of Health’s website ([www.gov.uk/government/collections/department-of-health-group-accounting-guidance](https://www.gov.uk/government/collections/department-of-health-group-accounting-guidance)) for detailed advice on accounting issues. [↑](#footnote-ref-10)
11. This list is not exhaustive. It should be noted that some of these reports, for example the quality report, cover a full year so arrangements need to be put in place to ensure that the necessary information and assurance is available for the full year [↑](#footnote-ref-11)
12. This checklist assumes that there is a corporate trustee arrangement. Where there are independent trustees consult the Charity Commission [↑](#footnote-ref-12)
13. For more details about charitable funds see NHS Charitable Funds: a Practical Guide, HFMA, 2015. [↑](#footnote-ref-13)
14. It is unlikely that a transfer order or Statutory Instrument will be required – see section 3 of the Department of Health’s guidance on NHS funds held on trust [www.gov.uk/government/uploads/system/uploads/attachment\_data/file/640425/NHS\_Funds\_held\_on\_Trust\_FINAL.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/640425/NHS_Funds_held_on_Trust_FINAL.pdf) [↑](#footnote-ref-14)
15. This may be due to a change in materiality levels or may be due to different trustee arrangements between the NHS bodies involved in the reorganisation, for example, one of the NHS bodies may be a corporate trustee while the other has an independent charity (previously a special trustee or s151 trustee arrangement) [↑](#footnote-ref-15)
16. There is no requirement to sell all of a charity’s investments prior to transfer but it may be considered as a simpler approach to transferring stocks and shares [↑](#footnote-ref-16)
17. See [https://improvement.nhs.uk/uploads/documents/Guidance\_on\_the\_market\_forces\_factor\_caqqjIe.pdf](https://improvement.nhs.uk/uploads/documents/Guidance_on_the_market_forces_factor_caqqjIe.pdf%20) t [↑](#footnote-ref-17)
18. <https://improvement.nhs.uk/resources/approved-costing-guidance/> [↑](#footnote-ref-18)
19. See the findings from NHS Improvement’s *Reference cost assurance programme* 2015/16 <https://improvement.nhs.uk/uploads/documents/NHSI_RCA_Sector_Report_-_final.pdf> [↑](#footnote-ref-19)
20. Non-financial systems may not be within the remit of the finance department, it will depend on whether the director of finance also has IT responsibilities. [↑](#footnote-ref-20)