

Paper: CB.24.05.2018/03

NHS ENGLAND – PRIVATE BOARD PAPER

Title:

Draft Annual Report 2017/18 and update on year-end plan

Rationale for paper being discussed in the Private meeting:

The annual report remains in draft form until it is agreed by NAO. The final report will be published following laying in Parliament in July.

Lead Director:

Paul Baumann, Chief Financial Officer

Purpose of Paper:

- To update the Board on the latest timetable for the annual report and accounts
- To present the draft annual report as at Month 12 to the Board for review and comment by **29 May 2017**

The Board invited to:

- Review and comment on the draft Annual Report;
- Collectively approve inclusion of a Board Statement which confirms that the annual report and accounts are fair, balanced and understandable; and
- Resolve to delegate authority for approval of the final report to the Audit and Risk Assurance Committee (ARAC).

Draft Annual Report 2017/18 and update on year-end plan

PURPOSE

1. To update the Board on the detailed timetable and next steps for production of NHS England's Annual Report 2017/18, and present the updated draft of the report for review.
2. In line with requirements of the Health and Social Care Act 2012, NHS England and all Clinical Commissioning Groups (CCGs) must produce an annual report and accounts, including a governance statement. Each year, the Department of Health and Social Care's (DHSC) Manual for Accounts sets out the core structure and content of the annual report as mandated by HM Treasury (HMT). In addition, NHS England's Annual Report must contain an assessment of:
 - the extent to which it met any objectives or requirements specified in the Government's mandate to NHS England for that year
 - the extent to which it gave effect to the proposals for that year in its business plan
 - how effectively it discharged its duties to: improve the quality of services; reduce inequalities and ensure public involvement and consultation.
3. This paper updates the Board on progress to prepare the draft annual report since the last update to the Board on 29 March 2018.

ANALYSIS SINCE UPDATE

4. The draft annual report for 2017/18 is presented to the Board with the caveat that it is subject to final review. The report adheres to the three-part structure mandated by HMT and learning from public sector best practice – and incorporates comments made by ARAC and the Board in their review of the Month 9 draft in March. A review has also been undertaken by the NHS England legal team to ensure the report supports the provision of assessments required under the Health and Social Care Act 2012 (as per Para. 2). We have been advised to strengthen the wording in some areas; we are working with the subject matter leads to address this.

The Chief Financial Officer has reviewed and commented on the latest draft which contains mark ups where these comments are in the process of being addressed.

Performance Report (and associated appendices)

5. This section reports progress against key performance measures and incorporates the legal requirement to present an assessment of the extent to which NHS England met its objectives. The report focusses on the five key priorities established in the *Five Year Forward View next steps* document (Urgent and Emergency Care, Primary Care, Cancer, Mental Health and Integrating care locally) and in the Government's mandate to NHS England for that year.

Accountability Report (and associated appendices)

6. This section includes the:
 - Director's Report
 - Remuneration and Staff Report
 - Statement of Accounting Officer's Responsibilities

- Governance Statement
 - Parliamentary accountability and audit report
7. All Board members have formally recorded their agreement to the inclusion of the required Statement of Disclosure to Auditors in advance of the Board meeting on 24 May, where members will be asked to confirm that:
- So far as the member is aware, there is no relevant audit information of which NHS England's external auditor is unaware, and
 - The member has taken all the steps that they ought to have taken as a member in order to make him or herself aware of any relevant audit information and to establish that NHS England's external auditor is aware of that information.
8. In addition they are asked to collectively approve inclusion of a Board Statement which confirms that the annual report and accounts are fair, balanced and understandable.

CCG annual reports

9. Following the publication of guidance and templates to support preparation of CCG annual reports and accounts in December 2017, roadshows to prepare for year-end were held over February. To support consolidation, NHS England's regional teams submitted their interim certification of CCG draft annual reports on 27 April 2018. A thematic analysis of these returns and draft CCG Heads of Internal Audit Opinion is currently underway. Key findings will be shared via regional colleagues in advance of the final submission of CCG annual reports on 31 May 2018.

NEXT STEPS

10. The high-level timetable and next steps are set out in **Appendix B**. The final draft will be shared with members on 13 June for final comments. The report will be presented to ARAC on 4 July 2018, where members will be asked to make their recommendation to the Accounting Officer to sign the Annual Report and Accounts for 2017/18.

RECOMMENDATIONS

11. The Board are invited to:
- Review and comment on the draft Annual Report;
 - Collectively approve inclusion of a Board Statement which confirms that the annual report and accounts are fair, balanced and understandable; and
 - Resolve to delegate authority for approval of the final report to the Audit and Risk Assurance Committee.

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**NHS England Annual Report 2017/18
Month 12 Draft**

This has been placed in the Boardpad Reading Room. A pdf copy is available on request if preferred.

High-level Timetable

NHS England Activity	Required By
MAY	
<i>Audit and Risk Assurance Committee:</i> Review draft Annual Report and Accounts and progress against timetable	17 May
<i>Board</i> to review draft annual report and accounts and agree insertion of Board member statements. Delegate sign off of final report to ARAC. (Report to be shared with DH & NAO at this stage).	24 May
JUNE	
Chair / Chief Exec to receive final draft for approval.	4 June
Chair / Chief Exec to provide final comments.	11 June
Final draft Annual Report issued to Non-Executive Directors (NEDs) for comment.	13 June
NEDs to provide final comments.	18 June
JULY	
<i>Audit and Risk Assurance Committee:</i> Review and approve Annual Report and Accounts and make recommendation to Accounting Officer; Accounting Officer to sign.	3 July
Annual Report and Accounts submitted to National Audit Office (NAO) for certification.	3 July
<i>Board:</i> Receive final Annual Report and Accounts.	4 July
Comptroller and Auditor General to certify Annual Report and Accounts.	9 July (Provisional)
DHSC laying date / Written Ministerial Statement.	11 July (Provisional)