

23 March 2020

(amended 11 August to confirm procedures for September laying for NHS foundation trusts)

Dear Colleague

Updates to NHS accounts timetable and year-end arrangements – with provider annex

Given the current and estimated impact of COVID-19 we have worked with the Department of Health and Social Care (DHSC) to amend arrangements for year-end accounts for 2019/20.

Summary of key points for 2019/20:

- The implementation of IFRS 16 is being deferred until 2021/22.
- Draft accounts are now due on 27 April, but provider organisations can extend this to 11 May if they wish.
- There are associated amendments to ledger close for commissioners, key data for providers, and agreement of balances process dates.
- Audited accounts are now due on 25 June.
- Quality accounts: DHSC is working to amend Regulations which specify these arrangements. We do not expect providers will be subject to the 30 June deadline.
- Auditor assurance work on quality accounts and quality reports should cease for 2019/20.
- Provider organisations will no longer be required to submit any hard copy documents to NHS Improvement for the annual report and accounts.

Basis for change

The NHS is under considerable pressure, with new and changing working arrangements affecting finance teams in organisations to varying degrees. We have talked to many provider and commissioner finance teams over the past week: you have told us you need certainty but also flexibility. Many organisations told us they want to continue with 2019/20 accounts and complete them sooner rather than later. Other organisations expect to need more time.

While the agreement of balances exercise can cause burden, most organisations rely on it for the completion and audit of their accounts. This exercise and others such as key data collections for providers to support Provider Sustainability Fund (PSF) allocations only work when the system operates together. We need to put processes in place that allow these functions for the wider NHS to continue, while lessening the impact for organisations that need more time.



Revised accounts deadlines 2019/20

We are grateful for the support of the local audit firms, DHSC and the National Audit Office in working with us to develop the changes set out below.

- For providers, the 'key data' submission is now due on 20 April. This will be after COVID-19 income information is given to providers and commissioners on 16 April.
- For CCGs, the ledger close for 'AP12' is now 20 April.
- CCGs will submit draft accounts on 27 April.
- Providers will make a submission on 27 April, which is either full draft accounts, or can just be an agreement of balances submission. We encourage providers to submit draft accounts where they can: this will assist local auditors in managing their workloads over the period. Providers do not need to tell us in advance which submission they are making.
- The extended deadline for providers' draft accounts (if required) is 11 May. For those who submitted draft accounts on 27 April, this will be an agreement of balances submission.
- For providers and commissioners, audited accounts are due by 25 June.

A detailed year end timetable is provided in the annex to this letter.

IFRS 16 deferral

Last week HM Treasury, in conjunction with the Financial Reporting Advisory Board (FRAB), decided in light of current pressures that IFRS 16 will be deferred in the public sector for a further year, to 2021/22. The work already completed by organisations will still be of considerable value in bringing leased assets on to the statement of financial position a year later than expected.

Agreement of balances – updated 27 March

We have worked with DHSC to review the thresholds above which entities are expected to reach agreement on agreement of balances statements. Guidance on the issuing of statements is unchanged. The new thresholds for agreement for 2019/20 month 12 are:

- Receivables statements above £500,000 (previously £100,000) and
- Income statements above £5 million (previously £2 million).

These thresholds will be reviewed again for the 2020/21 year. We are due to discuss these revised thresholds with local auditors.

Annual report requirements

We are working with DHSC and HM Treasury on whether some annual report requirements can be streamlined for 2019/20.

Quality accounts and quality reports 2019/20

Quality accounts preparation: the deadline of 30 June is specified in Regulations. DHSC is now seeking approval from Ministers to amend the Regulations and we do not expect that providers will be subject to the 30 June deadline. We will update providers as soon as more information is available.

Quality reports preparation for NHS foundation trusts: given the expectation of change

for quality accounts, there is no longer a requirement for a quality report to be included in the annual report. NHS foundation trusts are encouraged to include the additional quality report content in their quality account.

Assurance work on quality accounts and quality reports should cease, and no limited assurance opinions are expected to be issued in 2019/20. Where auditors have completed interim work or early testing on indicators, auditors should consider whether value can be derived from work already completed, such as a narrative report being provided to the trust, or governors at a NHS foundation trust. For NHS foundation trusts, there is no formal requirement for a limited assurance opinion or governors' report.

Other matters for providers

Hard copies: We will no longer require any documents to be sent to NHS Improvement in hard copy in connection with the annual report and accounts. Electronic documents containing electronic signatures will be sufficient. Chief executives' responsibilities under the accounting/accountable officer memorandum continue to apply. Please note your auditor may still need to see hard copy signed documents: please discuss this with your auditor.

Inventory counts: With auditors conducting their work remotely, this presents challenges for auditor verification of inventory, where there are required steps in auditing standards. Providers with material inventory balances should work with their auditors to provide alternative sources of assurance wherever possible but please ensure these steps are proportionate. A 'limitation of scope' in the audit report may be necessary in some circumstances though it is hoped this could be avoided for most. This would be a qualified auditor opinion, modified only to reflect the auditor has been unable, at the time of the audit, to obtain sufficient and appropriate evidence on inventory. The remainder of the opinion would be unchanged and confirm the appropriate completion of the audit.

Next steps

For providers, the month 12 collection form will be issued on 23 or 24 March. There may be a slight delay from the planned date of 23 March while we update systems for the changed submission requirements. As ever, any queries on the 'TAC' part of the form should be addressed to Provider.Accounts@improvement.nhs.uk and queries on any other part of the month 12 form should be addressed to NHSI.sector.reporting@nhs.net or NHSI.CapitalCashQueries@nhs.net as appropriate.

For commissioners, Queries on the CCG_CSU template and any other year end related matters should be addressed to england.yearendaccounts@nhs.uk.

Our teams will continue to work with yours through this challenging period.

Yours sincerely



Adrian Snarr
Director of Financial Control

Annex: Detailed year-end timetable

Provider Annex: Updated accounts and reporting timetable for 2019/20

Organisations should note the following definitions:

- **Receivable organisation** - this is the organisation sending the invoice/is carrying the trade receivable/is receiving the income i.e. the supplier or provider
- **Payable organisation** – this is the organisation receiving the invoice/carrying the trade payable/recording expenditure i.e. the purchaser or commissioner.

We have colour-coded rows in this table as follows:

White row	Agreement of balances process
Blue row	'Key data' submission
Green row	TAC / accounts / agreement of balances submission to NHS Improvement
Red row	Other process
Grey row	Month 12 form release by NHS Improvement

Date (by end of day unless stated)	Detail
Monday 23 rd March 2020	Final date for sending March dated invoices (email where possible). These invoices relate to activity and services up to and including February and should include estimates for March activity and services where possible. Please note statements are not to be sent until 27th March 2020.
Monday 23 rd / Tuesday 24 th March 2020	NHS Improvement issues month 12 PFR form (including TAC schedules) Month 12 forms will be issued to providers together with completion instructions. The form will be issued via the Portal inbox and accompanied by an email from Provider Accounts (Provider.Accounts@improvement.nhs.uk).
Tuesday 24 th March 2020	Final date for despatch of payments to DHSC group bodies for 2019/20. This means that there should be no payments made after 24 th March 2020 without prior agreement.
Friday 27 th March 2020	Date for Receivable organisations to e-mail Payable organisations a receivables statement detailing outstanding invoices dated and invoiced by 23 rd March 2020. Payments received up to and including 24 th March 2020 must also be included. Please note: <ul style="list-style-type: none"> • Only one statement must be sent to each Payable organisation • A statement must be sent to each Payable organisation even if the balance is under £500,000 but need not be sent if the balance is less than £2,500.
Monday 30 th March – Weds 1 st April 2020	If a receivables statement has not been received the Payable organisation is to inform the Receivable organisation. In such cases, the Receivable organisation must email a statement immediately.
Tuesday 7 th April 2020	Final date for agreement of outstanding Receivables/Payables dated up to 23 rd March 2020 and above £500,000 . (This was updated on 27 March 2020.)
Tuesday 7 th April 2020	Final date for Receivables organisations to email a statement of Accruals to the Payable organisations, listing all 2019/20 liabilities not invoiced by 23 rd March 2020.
Tuesday 7 th April 2020	Final date for Receivable organisations to e-mail Payable organisations an income statement detailing income invoiced/received to 23 rd March 2020. The statement will include income that has been invoiced and income received without an invoice e.g. Grants, R&D etc. Only one statement must be sent to each Payable organisation. An income statement must be sent to each Payable organisation for balances over £2m. Receivable organisations may issue statements below this level if they wish.

Date (by end of day unless stated)	Detail
Thursday 16 th April 2020	Providers will be notified by NHS England and NHS Improvement regional teams of additional income for COVID-19 to be included in 2019/20 accounts. This should be recorded as patient care income from NHS England.
Friday 17 th April 2020	Deadline for agreement of income/expenditure above £5 million balance. (This was updated on 27 March 2020.) Complete discussions regarding accruals for inclusion in 2019/20 accounts.
Monday 20 th April 2020 (noon)	Submission of month 12 'key data' return to NHS Improvement Template to be uploaded to the NHS Improvement Portal outbox. Please note 'Key Data' submissions are to allow early view of high-level figures and importantly to calculate indicative PSF / FRF values. We would therefore not expect any material changes to these key figures unless this has been agreed with your NHS England / NHS Improvement regional contact first.
Monday 27 th April 2020 (noon)	<p><u>Option 1 – full PFR form with draft accounts</u> NHS providers submit month 12 PFR form (including unaudited TACs) and draft accounts</p> <p>This submission is of:</p> <ul style="list-style-type: none"> • Month 12 PFR form (including unaudited TACs) • Draft accounts <p>The TACs will include income/expenditure and receivables/payables WGA data.</p> <p>PFR form uploaded to the NHS Improvement Portal (outbox). Please ensure that '27 April - Draft accounts' is selected on the cover of the PFR file before uploading.</p> <p>There should be no validation errors in this submission.</p> <p>Draft accounts uploaded to the NHS Improvement Portal outbox and submitted as:</p> <ul style="list-style-type: none"> • Financial year: FY2019-20 • Activity: In Year Returns • Template Type: Accounts submissions • Period: M12 <p>Any financial commentary that accompanies the template should be uploaded to the NHS Improvement Portal outbox with activity type 'In Year Returns', template type 'Finance Commentary' and period M12.</p> <p><u>Option 1B – full PFR form on 27 April with draft accounts by Friday 1 May</u></p> <p>As a variant of option 1, the PFR form can be submitted as detailed above, with draft accounts submitted by Friday 1 May. You must discuss and agree this with your auditor before taking this approach as it would affect the availability of draft accounts to audit. The draft accounts must be consistent with the PFR form (with TAC schedules) submitted on 27 April.</p> <p><u>Option 2 – WGA (agreement of balances) data only</u></p> <p>NHS providers submit month 12 PFR form with agreement of balances data to NHS Improvement</p> <p>This submission is made by submitting the month 12 PFR file. You should submit the whole form, but only the WGA information (TAC61 – TAC64) will be utilised from this submission. The accounts and in-year monitoring information will not be used and can be submitted in any partially completed state. The cover of the PFR form will list the validations to be passed if this option is taken.</p> <p>PFR form uploaded to the NHS Improvement Portal outbox. Please ensure that '27 April - Agreement of balances only' is selected on the cover of PFR file before uploading.</p>

Date (by end of day unless stated)	Detail
Wednesday 29 th April 2020	<p>NHS Improvement issues provider to provider mismatch reports</p> <p>This report will give earlier sight of provider to provider mismatches in advance of DHSC group mismatch reports being issued.</p>
Friday 1 st May 2020	<p>NHS Improvement distributes DHSC group mismatch schedules to NHS providers</p>
Monday 11 th May 2020 (noon)	<p><u>Option 1 – Updated WGA (agreement of balances) only, if full PFR form was submitted on 27 April</u></p> <p>NHS providers re-submit TACs to provide updated WGA (agreement of balances) information to NHS Improvement</p> <p>This submission is made by resubmitting the month 12 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. Please note that a submission is required from all providers, even if no AoB data has changed.</p> <p>Template to be uploaded to the NHS Improvement Portal outbox. Please ensure that ‘11 May - Agreement of balances only’ is selected on the cover of the PFR file before uploading. Any changes to the accounts must be agreed with your auditors and should form part of the audited submission of the accounts and PFR form on 26th June.</p> <p><u>Option 2 – full PFR form and draft accounts</u></p> <p>Submission of month 12 PFR form (including unaudited TACs) and draft accounts to NHS Improvement</p> <p>This submission is of:</p> <ul style="list-style-type: none"> • Month 12 PFR form (including unaudited TACs) • Draft accounts • Updated WGA balances and transactions data in relevant TAC tabs <p>PFR form uploaded to the NHS Improvement Portal (outbox). Please ensure that ‘11 May - Draft accounts’ is selected on the cover of the PFR file before uploading.</p> <p>There should be no validation errors in this submission.</p> <p>Draft accounts uploaded to the NHS Improvement Portal outbox and submitted as:</p> <ul style="list-style-type: none"> • Financial year: FY2019-20 • Activity: In Year Returns • Template Type: Accounts submissions • Period: M12 <p>Any financial commentary that accompanies the template should be uploaded to the NHS Improvement Portal outbox with activity type ‘In Year Returns’, template type ‘Finance Commentary’ and period M12.</p>
Wednesday 13 th May 2020	<p>NHS Improvement issues provider to provider mismatch reports</p> <p>This report will give earlier sight of provider to provider mismatches in advance of DHSC group mismatch reports being issued.</p>
Friday 15 th May 2020	<p>NHS Improvement distributes DHSC group mismatch schedules to NHS providers</p>

Date (by end of day unless stated)	Detail			
Thursday 25 th June 2020 (noon)	NHS providers submit month 12 PFR form (including audited TACs) and audited accounts			
			Electronic (Portal)	Electronic (Portal) scan (pdf) of a signed document. In all cases, electronic signature(s) included in pdf are acceptable.
	1	Audited accounts	✓ (Any reasonable file type)	
	2	Audited accounts: signed Statement of Financial Position (balance sheet)		✓
	3	Audited accounts: signed Statement of Accounting / Accountable Officer's Responsibilities		✓
	4	Audited TAC schedules (submission of PFR form)	✓	
	5	Audited TAC schedules: Print or screenshot of the 'Confirmations' tab and signed* at the bottom by the Chief Executive as confirmation that the final audited TAC schedules have been submitted. Please ensure answer to question 3 has been updated. *For 2019/20, typing in the Chief Executive's name in the box is sufficient. See TAC form.		✓
	6	Full final text of 'audited' annual report (this does not need to have final formatting for printing, but should be the final text)	✓	
	7	Annual report: signed pages <ul style="list-style-type: none"> For FTs: see annex 1 to chapter 1 of the FT ARM For NHS trusts: see DHSC GAM paragraphs 3.7 and 3.8) 		✓ No need to upload separately if the file in (6) is a pdf containing signatures.
	8	Auditor ISA 260 report	✓	
	9	Signed audit report (audit opinion) on the accounts		✓ For avoidance of doubt - Electronic signature included in pdf is acceptable here as well
	10	Signed chief executive and finance director certificate on the summarisation schedules (TAC schedules) <ul style="list-style-type: none"> Templates available here 		✓
11	Auditor report on the summarisation schedules (TAC schedules)		✓	
This row continues overleaf				

Date (by end of day unless stated)	Detail
	<p>The TACs will include income/expenditure and receivables/payables WGA data.</p> <p>PFR form uploaded to the NHS Improvement Portal (outbox). Please ensure that ‘25 June - Audited accounts’ is selected on the cover of the PFR file before uploading.</p> <p>There should be no validation errors in this submission.</p> <p>All other electronic submissions in table above uploaded to the NHS Improvement Portal outbox and submitted as:</p> <ul style="list-style-type: none"> • Financial year: FY2019-20 • Activity: In Year Returns • Template Type: Accounts submissions • Period: M12 <p>Note for NHS foundation trusts: if for your trust your auditor is able to issue some form of report to governors on interim findings from quality reports assurance work already completed, this is not required to be provided to NHS Improvement in 2019/20.</p>
<p>NHS FOUNDATION TRUSTS ONLY: Timing options for laying before Parliament</p> <p>There are two options for when an NHS foundation trust’s annual report and accounts can be laid before Parliament this year. Once laid, the document cannot be changed, i.e. a trust cannot do both. Additionally, current laying procedures have been amended such that what entities submit for laying is an electronic document and not hard copies. This ‘e-laying’ process is currently confirmed to apply as far as 12 October 2020, therefore all 2019/20 NHS foundation trust annual reports and accounts will follow this process.</p> <p>Given the extended accounts timeline this year, the majority of NHS foundation trusts are expected to follow ‘option B’. We encourage NHS foundation trusts to follow option A and lay their annual report and accounts before the summer recess wherever possible.</p> <p>For those following option B, the intention is that these will be laid when the House of Commons is sitting between 8 and 17 September, but the Journal Office has advised this may be dependent on how many documents there are to be laid during this window.</p>	
<p>Option A, step 1 of 2: By Wednesday 1st July 2020</p>	<p>FOR NHS FOUNDATION TRUSTS ONLY – option A, step 1 of 2</p> <p>Parliament step 1: Send PDF for checking in preparation for laying – following ‘e-laying’ guidance</p> <p>NHS foundation trusts should pay careful attention to the format required by the laying guidance published alongside the DHSC GAM and note the requirement to send the draft document to the Parliamentary Clerk for approval prior to laying. Note also the checklist at the end of the guidance.</p> <p>The DHSC GAM supplement has been updated to include a new section of guidance for NHS foundation trusts submitting annual reports and accounts for ‘e-laying’ before Parliament. A PDF should be emailed to mb-si@dhsc.gov.uk. The email title should contain the name of your trust and the words ‘for checking’. This is the final deadline for this step – but we recommend sending the PDF for checking earlier where available.</p> <p>DHSC GAM supplement: https://www.gov.uk/government/publications/department-of-health-guidance-on-laying-accounts-in-parliament.</p>

Date (by end of day unless stated)	Detail
<p>Option A, step 2 of 2: By Monday 6th July 2020</p>	<p>FOR NHS FOUNDATION TRUSTS ONLY – option A, step 2 of 2</p> <p>Parliament step 2: NHS foundation trusts submit accounts to DHSC Parliamentary Office to be laid before Parliament – following ‘e-laying’ guidance</p> <p>Following the e-laying guidance, once the format has been confirmed as acceptable, a final print-ready PDF should be sent to mb-si@dhsc.gov.uk. This should be the full annual report and full statutory accounts (as one document). The email title should contain the trust name and the words ‘final version’.</p> <p>Once laid before Parliament the NHS foundation trust must make the annual report and accounts publicly available. It is recommended that this is via the trust’s website. If an NHS foundation trust chooses to publish a ‘performance report: overview with supplementary material’ (see FT ARM) on its website, this must include a statement on how the user can obtain the full annual report and accounts.</p> <p>NHS foundation trusts can identify when their annual report has been laid by reviewing the House of Commons votes and proceedings webpage: https://www.parliament.uk/business/publications/business-papers/commons/votes-and-proceedings/</p>
<p>Option B, step 1 of 2: By Friday 21st August 2020</p>	<p>FOR NHS FOUNDATION TRUSTS ONLY – option B, step 1 of 2</p> <p>Parliament step 1: Send PDF for checking in preparation for laying before Parliament – following ‘e-laying’ guidance</p> <p>NHS foundation trusts should pay careful attention to the format required by the laying guidance published alongside the DHSC GAM and note the requirement to send the draft document to the Parliamentary Clerk for approval prior to laying. Note also the checklist at the end of the guidance.</p> <p>The DHSC GAM supplement has been updated to include a new section of guidance for NHS foundation trusts submitting annual reports and accounts for ‘e-laying’ before Parliament. A PDF should be emailed to mb-si@dhsc.gov.uk. The email title should contain the name of your trust and the words ‘for checking’. This is the final deadline for this step – but we recommend sending the PDF for checking earlier where available.</p> <p>DHSC GAM supplement: https://www.gov.uk/government/publications/department-of-health-guidance-on-laying-accounts-in-parliament.</p>
<p>Option B, step 2 of 2: By Friday 28th August 2020</p>	<p>FOR NHS FOUNDATION TRUSTS ONLY – option B, step 2 of 2</p> <p>Parliament step 2: NHS foundation trusts submit accounts to DHSC Parliamentary Office to be laid before Parliament – following ‘e-laying’ guidance</p> <p>Following the e-laying guidance, once the format has been confirmed as acceptable, a final print-ready PDF should be sent to mb-si@dhsc.gov.uk. This should be the full annual report and full statutory accounts (as one document). The email title should contain the trust name and the words ‘final version’.</p> <p>Once laid before Parliament the NHS foundation trust must make the annual report and accounts publicly available. It is recommended that this is via the trust’s website. If an NHS foundation trust chooses to publish a ‘performance report: overview with supplementary material’ (see FT ARM) on its website, this must include a statement on how the user can obtain the full annual report and accounts.</p> <p>NHS foundation trusts can identify when their annual report has been laid by reviewing the House of Commons votes and proceedings webpage: https://www.parliament.uk/business/publications/business-papers/commons/votes-and-proceedings/</p>

Date (by end of day unless stated)	Detail
Monday 21 st September 2020	<p>FOR ALL NHS PROVIDERS: NHS providers submit final full annual report including full statutory accounts to NHS Improvement</p> <p>This should be a <u>single PDF document</u> containing both the annual report (including quality report and quality report limited assurance opinion for NHS foundation trusts) and full statutory accounts including audit report (opinion).</p> <p>Uploaded to the NHS Improvement Portal outbox:</p> <ul style="list-style-type: none"> • Financial year: FY2019-20 • Activity: In Year Returns • Template Type: Accounts submissions • Period: M12
Monday 21 st September 2020	<p>FOR NHS TRUSTS ONLY: NHS trusts to publish annual report and accounts</p> <p>Each NHS trust should make its 2019/20 annual report and accounts available on its website. As guided by the DHSC GAM, an NHS trust may choose to additionally publish a “performance report overview and supplementary material”. If this document is published on the trust’s website, it must include a statement on how the user can obtain the full annual report and accounts.</p> <p>In either case, NHS Improvement will consider NHS trusts’ accounts data to be in the public domain after 21st September 2020. For NHS foundation trusts, this will be dependent on whether all annual reports and accounts have been laid before Parliament.</p>