NHS trusts: requirements for annual governance statements and other year-end material 2020/21: extracts in Word format

This document extracts the pro-forma statements from the annual governance statement and year end statements document published by NHS Improvement in February 2021. This separate document is being made available in Word format to facilitate copying. The original document is available at <https://www.england.nhs.uk/financial-accounting-and-reporting/financial-reporting/> . **The main document contains important guidance: please ensure you refer to it.** This document just contains extracts of pro formas.

**This document applies to NHS trusts.** NHS foundation trusts should refer to the [Foundation Trust Annual Reporting Manual](https://www.england.nhs.uk/financial-accounting-and-reporting/nhs-foundation-trust-annual-reporting-manual/)[[1]](#footnote-2) (FT ARM) which provides information on annual report requirements.

## Model annual governance statement for NHS trusts 2020/21

[The wording which is not in square brackets in this pro forma AGS should be replicated in every AGS. The words in square brackets should be amended and expanded as appropriate to the body in question. **This is just the model annual governance statement – please also refer to the pdf of guidance from which this is extracted: see page 1.** Changes since the prior year are shown in red text.**]**

### Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS trust’s policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the *NHS Trust Accountable Officer Memorandum*.

### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of [insert name of provider] NHS Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in [insert name of provider] NHS Trust for the year ended 31 March 20xx and up to the date of approval of the annual report and accounts.

### Capacity to handle risk

[Describe the key ways in which:

* leadership is given to the risk management process; and
* staff are trained or equipped to manage risk in a way appropriate to their authority and duties. Include comment on guidance provided to them and ways in which you seek to learn from good practice.]

### The risk and control framework

[Describe the key elements of the risk management strategy, including the way in which risk (or change in risk) is identified, evaluated, and controlled. Include mention of how risk appetites are determined.Explicitly describe the key elements of the quality governance arrangements, including how the quality of performance information is assessed and how assurance is obtained routinely on compliance with CQC registration requirements. Explicitly include how risks to data security are being managed and controlled as part of this process. Include a brief description of the organisation’s major risks, including significant clinical risks, separately identifying in-year and future risks, how they are/will be managed and mitigated and how outcomes are/will be assessed. Work performed to assess whether services are well-led under NHS Improvement’s well-led framework will assist with this assessment and the trust should refer to well-led reviews as appropriate.]

[Include a description of the principal risks to compliance with the NHS provider licence[[2]](#footnote-3), [[3]](#footnote-4) condition 4 and actions identified to mitigate these risks, particularly in relation to:

* the effectiveness of governance structures,
* the responsibilities of directors and subcommittees;
* reporting lines and accountabilities between the board, its subcommittees and the executive team;
* the submission of timely and accurate information to assess risks to compliance with the conditions of the licence; and
* the degree and rigour of oversight the board has over the trust’s performance.]

[Describe key ways in which risk management is embedded in the activity of the organisation. For example, set out the ways in which equality impact assessments are integrated into core trust business or how incident reporting is openly encouraged and handled across the trust.]

[Describe the key ways in which the trust ensures that short, medium and long-term workforce strategies and staffing systems are in place which assure the Board that staffing processes are safe, sustainable and effective. Describe how your trust complies with the ‘*Developing Workforce Safeguards’*[[4]](#footnote-5) recommendations.]

The trust [is fully /is not fully] compliant with the registration requirements of the Care Quality Commission.

The trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the trust with reference to the guidance) within the past twelve months, as required by the ‘*Managing Conflicts of Interest in the NHS*’ guidance.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer’s contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

Control measures are in place to ensure that all the organisation’s obligations under equality, diversity and human rights legislation are complied with.

### The trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

### Review of economy, efficiency and effectiveness of the use of resources

[Describe the key process that has been applied to ensure that resources are used economically, efficiently and effectively, including some comment on the role of the board, internal audit and any other review or assurance mechanisms.]

### Information governance

Update for 2020/21: [Describe any serious incidents relating to information governance including data loss or confidentiality breach. As a minimum this should include details of any incidents notified to the ICO/DHSC in the Data Security Incident Reporting Tool. For these cases the foundation trust should detail any action taken by the ICO.]

### Data quality and governance

[Brief description of steps which have been put in place to assure the board that there are appropriate controls in place to ensure the accuracy of data.

In particular this should explain how the trust assures the quality and accuracy of elective waiting time data, and the risks to the quality and accuracy of this data]

### Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit committee [and risk/ clinical governance/ quality committee, if appropriate] and a plan to address weaknesses and ensure continuous improvement of the system is in place.

[Describe the process that has been appl**i**ed in maintaining and reviewing the effectiveness of the system of internal control, including some comment on the role and conclusions of:

* the board
* the audit committee
* if relevant, the risk/ clinical governance/ quality committee/risk managers/risk improvement manager
* clinical audit
* internal audit and
* other explicit review/assurance mechanisms.

Include an outline of the actions taken, or proposed to deal with any significant internal control issues and gaps in control, if applicable.]

**Conclusion**

[state either that no significant internal control issues have been identified or make specific reference to those significant internal control issues which have been identified in the body of the AGS above]

Signed………………..

Chief Executive Date: xx xx 20xx

Statement of the chief executive’s responsibilities as the accountable officer of the trust

The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the trust. The relevant responsibilities of Accountable Officers are set out in the *NHS Trust* *Accountable Officer Memorandum.* These include ensuring that:

* there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance
* value for money is achieved from the resources available to the trust
* the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them
* effective and sound financial management systems are in place and
* annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, other items of comprehensive income and cash flows for the year.

As far as I am aware, there is no relevant audit information of which the trust’s auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity’s auditors are aware of that information.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

Signed.........................................................................Chief Executive

Date..........................

Statement of directors’ responsibilities in respect of the accounts

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, other items of comprehensive income and cash flows for the year. In preparing those accounts, the directors are required to:

* apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury
* make judgements and estimates which are reasonable and prudent
* state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts and
* prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

The directors confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS trust’s performance, business model and strategy

By order of the Board

..............................Date.............................................................Chief Executive

..............................Date............................................................Finance Director

Certificate on summarisation schedules

**Trust Accounts Consolidation (TAC) Summarisation Schedules for […] NHS Trust**

Summarisation schedules numbers TAC01 to TAC34 and accompanying WGA sheets for 2020/21 have been completed and this certificate accompanies them.

**Finance Director Certificate**

1. I certify that the attached TAC schedules have been compiled and are in accordance with:

* the financial records maintained by the NHS trust
* accounting standards and policies which comply with the Department of Health and Social Care’s Group Accounting Manual and
* the template accounting policies for NHS trusts issued by NHS Improvement, or any deviation from these policies has been fully explained in the Confirmation questions in theTAC schedules***.***

2. I certify that the TAC schedules are internally consistent and that there are no validation errors\*.

3. I certify that the information in the TAC schedules is consistent with the financial statements of the NHS Trust [\*\*except for [insert text highlighting where the schedules differ from the accounts and explain the differences]].

[Signature]

[Name], Director of Finance

[Date]

**Chief Executive Certificate**

1. I acknowledge the accompanying TAC schedules, which have been prepared and certified by the Finance Director, as the TAC schedules which the Trust is required to submit to NHS Improvement.

2. I have reviewed the schedules and agree the statements made by the Director of Finance above.

[Signature]

[Name], Chief Executive

[Date]

*\* If you are unable to eliminate validation errors after discussions with your auditors and contacting NHS Improvement then amend this accordingly.*

*\*\* Please insert the ‘except for’ clause only if applicable.*

1. <https://www.england.nhs.uk/financial-accounting-and-reporting/nhs-foundation-trust-annual-reporting-manual/> [↑](#footnote-ref-2)
2. <https://www.gov.uk/government/publications/the-nhs-provider-licence> [↑](#footnote-ref-3)
3. While NHS trusts are exempt from the requirement to apply for and hold the licence, directions from the Secretary of State require NHS TDA to ensure that NHS trusts comply with conditions equivalent to the licence as it deems appropriate. This includes giving directions to an NHS trust where necessary to ensure compliance. We aim to treat all providers in comparable circumstances similarly unless there is sound reason not to. We therefore base our oversight, using the Single Oversight Framework, of all NHS trusts and NHS foundation trusts on the conditions of the NHS provider licence. [↑](#footnote-ref-4)
4. <https://improvement.nhs.uk/resources/developing-workforce-safeguards/> [↑](#footnote-ref-5)