

# Feedback on common errors in 2021/22 month 9 TAC schedules

To reduce the volume of emails at month 9, errors identified in TAC forms affecting multiple providers have been collated and summarised in the table below rather than emailing individual providers during the month 9 process.

All providers should please review the feedback on common issues in the table below and ensure any issues impacting your Trust are addressed at month 12. We will also share this document with the local audit community.

Area	Feedback
<b>Classification of transactions, balances and cash flows</b>	
SoCF – disposal proceeds	Cash flows from the sales of non-current assets should be separately disclosed within investing activities in the cash flow statement as described in IAS 7. This includes where there is a timing difference and the proceeds received relate to a prior year disposal. Such amounts should have been accrued within capital receivables in the prior year. The movement in capital receivables is automatically excluded from operating cash flows and should not be adjusted back manually. The proceeds in the subsequent year need to be entered manually in the cash flow. The relationship between proceeds, NBV of disposals and the movement in capital receivables is reconciled in JoC 3.
'Other' income and expenditure	Income and expenditure classified as 'other' in TAC forms has increased significantly in recent years and continues to do so. Transactions should only be included in this row where no appropriate alternative exists. Immaterial categories of income and expenditure may be grouped as 'other' within local accounts but should be separated out for TAC forms where there are specific lines. This is not considered an inconsistency (see Annex 5 of TAC completion instructions). Where 'other' exceeds 3% of total expenditure or total other operating income, we ask for more information in JoCs 11 and 15. Where providers are listing amounts in response to these for which dedicated rows already exist, these amounts should be reclassified rather than explained.
Consistency of staff cost classification	Some providers have significant variances in 'other' staff costs (Maincode A09CY01O) compared to prior year. Please review this note to ensure the split between 'permanent' and 'other' categories is consistent between years. Where classification has been consciously revised, prior year comparatives should be restated for consistency.
Pension contribution classification	NEST pension contributions should not be disclosed as NHS pension scheme contributions (STA0030) on TAC09. They should be allocated to 'Pension costs – other' (STA0040). JoC 61 checks this row against the WGA data for NHS pension scheme payments. Where this variance is due to NEST please ensure TAC09 is amended.

Area	Feedback
PPE NBV financing analysis	The property, plant and equipment financing analysis in Note 14.3 requires the NBV of assets donated from DHSC or NHSE in response to the pandemic to be split out. This is required in order to make consolidation adjustments in DHSC's group accounts. Some providers are not completing this row accurately. JoC 25 checks the relationship between this NBV and the movements in these assets (eg depreciation) disclosed elsewhere in the form.
Classification of other receivables	Receivables arising from income recognised under IFRS 15 should be disclosed as contract receivables in accordance with the disclosure requirements of that standard. Some providers are still disclosing ICR receivables as 'other receivables'. This income is recognised under IFRS 15 as specified in the GAM. These receivables should therefore be included in one of the contract receivables rows. JoC 29 asks providers to check that other receivables does not contain any amounts recognised under IFRS 15 where other receivables exceeds 10% of total receivables.
Classification of accrued capital donations	Please ensure any accrued capital donations are classified as capital receivables and also split out in the dedicated row in Table 20A at the bottom of TAC20. This will ensure that such receivables are excluded from operating cash flows in the SoCF and excluded from JoC 3 which checks asset sale proceeds.
Negative balances in payables/ receivables	<p>Negative income/receivables should be reclassified to expenditure/payables (and vice versa) to reflect the nature of the transactions. A negative receivable is no longer an asset as you cannot obtain future economic benefit.</p> <p>Any expenditure/payables (including deferred income) associated with regional offices and NHS England - Central Specialised Commissioning Hub should be allocated to NHS England - Core (CBA033) as per the instructions on the tab and AoB guidance (Appendix 3)</p>
<b>Accounting errors</b>	
Income from capital grants and donations	<p>Income in respect of capital grants and donations can only be deferred to the extent that conditions imposed by the grantor have not been met. The DHSC GAM (para 4.112), based on the HM Treasury FReM, does not permit income to be deferred to offset depreciation – this has been the case since 2011.</p> <p>A capital addition should also only be classified as donated or granted where the provider is entitled to the funding (if not already received). Where there is entitlement, the addition can be classified as donated / granted and the income should be accrued as a capital receivable (and split out in table 20A).</p> <p>The relationship between additions purchased from donations / grants and income recognised is checked in JoC 13.</p>
<b>Disclosures</b>	
PFI payments – additional amounts outside UP	Figures entered in subcodes CAP2680 and CAP2690 are for amounts paid to the scheme operator under the existing service concession contract which are not part of the unitary payment. Any amounts for additional services for which the trust has elected to use the PFI operator but are outside of the PFI scheme itself should not be included in these rows.
Losses and special payments	The number of cases for bad debts (LSP0050 to LSP0070) and store losses (LSP0090) disclosed by some providers is extremely high. Please remember that the number of cases is not per invoice or per inventory item, but per debtor and per store.

Area	Feedback
<b>Checks and validations</b>	
Justify or Change points	<p>JoCs are 'Justify or Change' points. They are included within TAC schedules to check values against common expectations for reasonableness and internal consistency. They often relate to areas where common errors repeatedly occur. Please take care to ensure you have understood what a JoC check is expecting before responding and please ask us if we can help. We read and consider every response. Comments entered often include 'variance from plan' (plan is never factored into accounts checks), 'rounding' (despite variances being clearly material) or refer to items already factored into the expectation. These don't address the issue flagged and are likely to result in further queries from the provider accounts team by email or telephone.</p>
Numeric / text inputs	<p>Please refrain from entering text, "-", or spaces into numeric input cells. Text entry cells which require specified entries such as NHS Codes should also not be populated with '0' (For example table 19A). Unexpected values in numeric or text only cells prevents files from being loaded into our consolidation system.</p>