

## Financial Reporting Advisory Board Paper

### The NHS Manual for Accounts 2013-14

<b>Issue:</b>	This paper provides an update on progress in producing the NHS Manual for Accounts 2013-14
<b>Impact on guidance:</b>	n/a
<b>IAS/IFRS adaptation?</b>	n/a
<b>Impact on WGA?</b>	n/a
<b>IPSAS compliant?</b>	n/a
<b>Interpretation for the public sector context?</b>	n/a
<b>Impact on budgetary regime?</b>	n/a
<b>Alignment with National Accounts</b>	n/a
<b>Impact on Estimates?</b>	n/a
<b>Recommendation:</b>	For information: members are requested to note the Department's plans with respect to the Manual
<b>Timing:</b>	2013-14

## DETAIL

### *Background*

1. The Department aims to issue the Manual at the start of each financial year. It has not been possible to meet this timescale in 2013-14 because of the necessity to design and consult on policies around NHS transition on 1 April 2013. Major stakeholders in the new NHS, the Commissioning Board and the National Trust Development Authority, are new entities that do not assume their full roles until that date. Some time is required to agree reporting requirements for the new Clinical

Commissioning Groups, particularly in relation to the closure of Primary Care Trusts and Strategic Health Authorities.

2. The Department has recently obtained Treasury's agreement to a departure from the FReM in respect of absorption accounting in the specific context of reporting the redistribution of SHA and PCT assets and liabilities. The draft Manual will outline a proposed accounting treatment whereby NHS transition balance movements are recognised through reserves. This would not impact on Group accounts or budgets in consolidated or "bottom-line" terms, while distortions to individual entities' reported performance would be avoided.

***Manual for Accounts: submission to FRAB***

3. The draft Manual will be submitted to FRAB at the 30 May 2013 meeting. At the same time, it will be circulated for comments (to the NAO, Audit Commission, Treasury and NHS bodies).

4. A summary of comments received, and the revised final Manual itself, will then be circulated to FRAB members in July. This would allow the Department to seek FRAB approval in advance of the next scheduled FRAB meeting in November 2013.

**Department of Health**

**4 April 2013**