



# PHE Board Paper

<b>Title of meeting</b>	PHE Board
<b>Date</b>	23 May 2014
<b>Sponsor</b>	Michael Brodie
<b>Title of paper</b>	PHE Annual Report and Accounts 2013/14 - process

## 1. Purpose of the paper

- 1.1 This paper sets out the responsibilities of the Chief Executive (PHE's Accounting Officer), Audit and Risk Committee and the Board in relation to the Annual Report and Accounts 2013/14 and the process followed for the approval of the document following external audit.

## 2. Recommendation

- 2.1 The Board is asked to **NOTE** and **AGREE** the responsibilities and process by which PHE's Annual Report and Accounts 2013/14 are prepared and approved.

## 3. Background

- 3.1 The statutory requirement to prepare the annual report and accounts comes from an Accounts Direction to the Chief Executive as PHE's Accounting Officer dated 10 February 2014 issued by HM Treasury under section 7 (2) the Government Resources and Accounts Act 2000, which requires PHE to "prepare accounts ... in accordance with the Government Financial Reporting Manual issued by HM Treasury..." The PHE Framework Agreement with the Department of Health requires the Accounting Officer to prepare an annual report which describes PHE's performance against objectives and its use of public funds.
- 3.2 Apart from a general responsibility of the Board in the PHE Framework Agreement (5.2) for advising the Accounting Officer on PHE's 'financial and performance objectives' there is no specific responsibility for the Board in relation to the annual report and accounts.
- 3.3 The Audit and Risk Committee has a role in this process as set in its terms of reference (section 5.1) "The Audit and Risk Committee will advise the Board and Accounting Officer on the strategic processes for risk, control and governance and the Governance Statement; the accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors.
- 3.4 The unpublished financial information of public bodies is not subject to any constraints on disclosure (in contrast to public companies).

## 4. Annual Report and Accounts 2013/14 production process

The draft Annual Accounts were produced and consolidation schedules submitted

4.1 to the Department of Health within fifteen working days of the end of the financial year (23 April), in line with the agreed timetable. The draft Accounts were subsequently presented to and reviewed by the Management Committee at its meeting of 29 April. The Accounts were also submitted to the National Audit Office in line with the agreed timescale.

4.2 The draft Annual Report document was prepared under the control of an editorial group reporting to the Finance and Commercial Director with representation from the Communications, Human Resources, Corporate and Finance and Commercial Directorates. It has subsequently been reviewed by the Chief Executive and members of the National Executive.

## **5. Adoption and approval process for 2013/14**

5.1 To finalise the submission of the Annual report and Accounts for 2013/14, it is planned that the document will be presented for signature by the Accounting Officer, and by the Comptroller and Auditor General, on 9 June, for laying in Parliament on 11 June.

5.2 To meet this timetable, the Audit and Risk Committee will scrutinise the audited draft annual report and accounts at its meeting on 2 June, at which it will receive the Head of Internal Audit opinion for 2013/14 and the external audit opinion from the National Audit Office alongside its management letter of issues arising during the course of the audit. After any adjustments and changes agreed at that meeting the Annual Report and Accounts will pass to final review by the National Audit Office and for signature by the Comptroller and Auditor General, immediately after signature of various aspects of the report (the Governance Statement, Remuneration Report, Financial Review and Financial Statements) by the Accounting Officer.

5.3 Board members will be invited to review the Annual Report and Accounts in the version provided to the Audit and Risk Committee for 2 June. No positive confirmation is required of members but any errors or material issues identified should be reported promptly to the Board Secretary, and in any event before the planned signature by the Accounting Officer on 9 June 2014.

5.4 Board members will be invited to check the accuracy of their own entries in the Remuneration Report, their attendance record at Board meetings in the Annual Governance Statement, and the related parties transaction note to the accounts. The final draft of the Annual Governance Statement, which will incorporate feedback from the NAO on an earlier draft, will be circulated with the papers for the 2 June Audit and Risk Committee.

5.5 In this way, good governance is achieved by giving all Board members an opportunity to examine the annual report and accounts and give advice to the Accounting Officer.

## **6. Next steps**

6.1 Board members are reminded that they should amend their declarations of interest with the Board Secretary for any new interests that arise between their declarations at the end of March 2014 and the date the accounts are signed off in early June.

6.2 The latest versions of the draft Annual Report and Accounts will be posted on the Board SharePoint site from late May for information.

**Victor Knight**  
*Board Secretary*  
May 2014