Department of Health

Department of Health

Group Accounting Manual 2016-17: Consultation Exercise Results

September 2016

You may re-use the text of this document (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit www.nationalarchives.gov.uk/doc/open-government-licence/

© Crown copyright 2016

Published to gov.uk, in PDF format only.

www.gov.uk/dh

Department of Health Group Accounting Manual 2016-17: Consultation Exercise Results

Prepared by:
Department of Health

Contact:

Graham Dann
Finance Directorate – Accounts
Room 2S12, Quarry House
Department of Health
Leeds
LS2 7UE

DH_GAM@dh.gsi.gov.uk

1. Executive Summary

All bodies within the Department of Health accounting boundary (DH group bodies) must publish annual reports and accounts. Clear and transparent reporting helps the entity, as well as the users of the entity's annual report and accounts, understand and scrutinise the year's operations and outcomes.

The Department of Health (and Monitor as the regulator for NHS foundation trusts, operating as NHS Improvement) has powers to direct the form in which the annual report and accounts should be prepared, the information that should be included, and the methods and principles that should be followed in their preparation. In determining the form and content of the accounts we must, by statute, aim to ensure the accounts present a true and fair view.

In order to achieve this, the department issues a group wide annual report and accounting manual every year, containing the requirements departmental group bodies need to follow when preparing their annual reports and accounts.

The *Department of Health Group Accounting Manual 2016 to 2017* (*GAM*) requires departmental group bodies to follow the requirements of International Financial Reporting Standards (IFRS), as adopted by the European Union, and the HM *Treasury Financial Reporting Manual* (*FReM*). Therefore, the *DH GAM* only includes detailed accounting guidance where departmental group bodies are:

- required to depart from IFRS or the *FReM*
- required to make specific disclosures in addition to IFRS and the *FReM*
- required to follow a particular accounting treatment to ensure consistency across the departmental group, or
- faced with particular circumstances that IFRS or the *FReM* do not address.

Updates to the *DH GAM* follow the same principle and, on that basis, are required where IFRS or the *FReM* have changed or when departmental group bodies are required to make specific extra disclosures.

Some content for 2016-17 is not yet available, such as Treasury Discount Rates. Where this is the case the manual will be revised later in the year once this content is known.

2. Background to this consultation

This consultation related to the draft *Department of Health Group Accounting Manual for 2016 to 2017*. The consultation period ran from 10 May 2016 until 1 July 2016. Subsequent to this closing date there was further consultation with Treasury's Financial Reporting Advisory Board (FRAB) to clear the final draft.

In previous years, Monitor and the Department of Health issued separate manuals, targeted at NHS foundation trusts and the rest of the departmental group respectively. This year, the accounting requirements in the two manuals were merged to produce a single reference document, the *Department of Health Group Accounting Manual 2016-17* (*GAM*). Monitor (NHS Improvement) will continue to publish separately the annual reporting requirements for NHS foundation trusts via an *NHS foundation trust annual reporting manual* (*FT ARM*). The *FT ARM* will contain the formal accounts direction but foundation trusts will follow the *GAM* for accounts requirements.

Following this consultation and after approval by FRAB, the *Department of Health Group Accounting Manual for 2016 to 2017* was published on 5 September 2016[1].

[1] https://www.gov.uk/government/publications/department-of-health-group-accounting-manual-2016-to-2017

3. Details of consultation questions and responses

A. Director benefits disclosures

This section referred to the previous FReM divergence applicable only to NHS foundation trusts on the disclosure of director remuneration requirements under s412 of the Companies Act 2006, and IAS 24 Related Party Disclosures.

The *FReM* adapts the requirements of the *Companies Act 2006* for the public sector context, and entities that are not companies only need to follow the requirements of the *Act* to the extent that they are incorporated into the *FReM*. The *FT ARM 2015-16* departed from the *FReM* in requiring foundation trusts to disclose the information on directors' benefits and remuneration required by sections 412 and 413 of the *Companies Act 2006*.

For 2016-17, it was proposed to withdraw the *FReM* divergence in respect of section 412. In common with other public sector entities, NHS foundation trusts would no longer be required to make the additional disclosures on directors' remuneration set out therein.

It was proposed the *FReM* divergence in respect of section 413 would remain. Where relevant, NHS foundation trusts only would continue to make the disclosures on advances, credits and guarantees set out therein as a note to the accounts, as in previous years.

Consultation question 1:
Do you have any comments on our proposal to remove the requirement for NHS foundation trusts to make the disclosures set out in the *Companies Act 2006* section 412, in line with the *FReM*?

Summary of responses

Question 1 referred to the previous *FReM* divergence applicable to NHS foundation trusts (FTs) on the disclosure of director remuneration requirements under section 412 of the *Companies Act 2006*, and IAS 24, *Related Party Disclosures*. Removal of the divergence would mean an FT will no longer be required to make additional disclosures on directors' remuneration to those required for other DH group bodies.

As the proposed change would solely affect FTs it was no surprise that the majority of comments came from that sector. Responses were generally supportive as it would lead to a reduction in the reporting burden for FTs. However, one FT commented that it would weaken accountability and reduce the level of information provided to readers of the account.

A small number of responses questioned the continued divergence in respect of section 413 for FTs only, and it was suggested that this might be extended to all DH group bodies for consistency.

DH's decision

As most responses were favourable, we have implemented the proposal to remove the *FReM* divergence in respect of section 412.

In line with NHS Improvement's view that the section 413 disclosures remain worthwhile disclosures for FTs, we have retained the existing divergence for these bodies

Whilst we recognise that retaining the divergence in respect of section 413 for FTs only does not achieve complete convergence across the group, neither we nor FRAB wish to see a widening of existing divergences from the *FReM*. We are not therefore requiring other DH group bodies to make section 413 disclosures.

B. *IAS 39 – Financial Instruments: Recognition and Measurement*

This section referred to the previous FReM divergence applicable to NHS foundation trusts on the discount rate applicable to the measurement of fair value of future cash flows from financial instruments.

The *FReM* interprets *IAS 39 – Financial Instruments: Recognition and Measurement* as follows:

> *Where future cash flows are discounted to measure fair value, entities should use the higher of the rate intrinsic to the financial instrument and the real financial instrument discount rate set by HM Treasury as applied to the flows expressed in current prices.*

The *FT ARM 2015-16* departed from the *FReM* in requiring NHS foundation trusts to apply a market rate for similar instruments and similar entities (adjusted for credit risk where appropriate).

For 2016-17, it was proposed to withdraw this divergence and to require NHS foundation trusts to follow the *FReM* interpretation of IAS 39 set out above.

Consultation question 2:
Do you have any comments on our proposal to require NHS foundation trusts to discount future cash flows from financial instruments as set out in the FReM?

Summary of responses

The responses were overwhelmingly in support of the proposal as it removes a divergence from the *FReM* and aids comparison between FTs and NHS trusts. The proposal also simplifies the accounting for FTs.

There was some uncertainty expressed as to the reason the divergence had been introduced for FTs in the first place.

DH's decision

As responses were consistently favourable, we have implemented the proposal to remove this *FReM* divergence.

C. Parliamentary Accountability and Audit Report

This section referred to changes to the annual report content, applicable to ALBs, NHS trusts and NHS England including CCGs. NHS foundation trusts' annual report requirements are included in the FT ARM and were not affected by the revisions referred to below.

Following the results of HM Treasury's project to streamline and simplify public sector bodies' annual reports and accounts in 2015-16, changes were promulgated via the 2015-16 *FReM*. A parliamentary accountability and audit report was introduced as a subsection to the accountability report, including the following content:

- Statement of Parliamentary Supply
- a brief description of the material remote contingent liabilities (disclosed under Parliamentary reporting requirements and not under IAS 37) and, where practical, an estimate of its financial effect
- explanation of regularity of expenditure, and long term trends
- a statement of compliance with cost allocation and charging requirements (Public Sector Information Holders only)
- notation of gifts made over a value of £300,000
- a statement of losses and special payments where the total amounts incurred are over the limits prescribed in *Managing Public Money*[2]
- an analysis of fees and charges income where material,
- audit certificate and report.

The introduction of the parliamentary accountability report mainly affected central government departments, but some content is required by all entities within the departmental accounting boundary. The requirements also vary by sector, and in some cases there is still a requirement to disclose the information as a disclosure note to the financial statements (for example contingent liabilities).

As the department is required to produce a consolidated parliamentary accountability report, the required information needs to be available within the underlying annual reports and accounts of departmental group bodies. Where a parliamentary accountability report disclosure is not mandatory for an entity, the *GAM* allows the option to include the information within a

[2] https://www.gov.uk/government/publications/managing-public-money

parliamentary accountability report, or to continue disclosing the information as a note to the financial statements, as in previous years.

There is no change to the reporting requirements compared with 2015-16, but the *Parliamentary Accountability and Audit Report* section of Chapter 2 has been revised to make clearer the options available to entities in each sector.

Where an entity chooses only to include the audit report and certificate then this section may be renamed "Audit Report".

Consultation question 3:
Do you have any comment on the revisions to the guidance on parliamentary accountability and audit reports?

Summary of responses

The main responses to this question were received from the HFMA and the audit firms.

Responses were generally favourable and welcomed the improved clarity of the guidance. However, there remained some confusion where it was indicated that elements of the report were optional for some entities. Some respondents were also unclear about the information that would be required in summarisation schedules that are submitted to the department at year-end to enable DH to consolidate our group accounts.

It was noted that disclosures in the annual report attract a different level of audit scrutiny to those in the financial statements. Where information is being collected to support disclosures in the consolidated Parliamentary Accountability and Audit Report, disclosure on a similar basis in underlying accounts will ensure sufficient scrutiny.

One respondent queried the requirement to report remote contingent liabilities, noting that these do not meet the definition of a contingent liability under IAS 37. It was suggested that additional guidance for NHS bodies would be needed. The *FReM* and *Managing Public Money* require the DH group to report all its contingent liabilities to Parliament, including those that are too remote to require reporting under IAS 37. DH therefore needs to collect this information from all its underlying bodies and the *GAM 2015-16* required them to disclose the information in their annual reports and accounts, so this is not a new requirement

A respondent also expressed concern about the apparent requirement for NHS bodies to include an explanation of the regularity of expenditure as a note to the financial statements. In fact, this is not a consolidated disclosure and it is not mandatory for those entities that are not required to publish a *Parliamentary Accountability and Audit Report*. It therefore does not need to appear within the financial statements, and we have amended the published *GAM* text to make this clearer.

A question was raised as to the requirement to publish an audit certificate and report for those entities not required to publish a *Parliamentary Accountability and Audit Report*. This element of the report is mandatory for all entities, and we have amended the published *GAM* text to make this clearer.

A point raised about this section, but also about the *GAM* more generally, was the lack of consistency in terms used to refer to different types of body and the lack of definition of these terms.

DH's decision

A *Parliamentary Accountability and Audit Report* is required for all entities that report directly to Parliament. This applies to DH's consolidated Annual Report and Accounts, and we therefore need to collect supporting information from all DH group bodies in summarisation schedules. To ensure sufficient audit scrutiny, we also require all DH group bodies to make equivalent disclosures in their own annual report and accounts. Those bodies that are not themselves required to produce a *Parliamentary Accountability and Audit Report* have the option nevertheless to make these disclosures in a similar section in their annual report. If they do not choose this option, they must instead disclose the required information in notes to their financial statements. In response to feedback received, we have further amended the guidance to make this clearer and to specify which disclosures are affected.

We have also clarified that those entities not required to publish a *Parliamentary Accountability and Audit Report* must nevertheless publish an audit certificate and report.

We agree that the draft *GAM* did not refer consistently to various types of DH and NHS bodies. We have therefore added a new section at the start of the *GAM* defining terms to be used to refer to these bodies and have ensured these terms are used consistently throughout the manual. As a result, it should now be clearer how the requirements for a *Parliamentary Accountability and Audit Report* apply to different bodies.

D. Capitalisation thresholds for non-current assets

The manuals published in 2015-16 contained an inconsistency in the discretion afforded to group bodies in setting the de minimis threshold for capitalisation of property, plant and equipment. While it was expected most of the group would consistently apply a threshold of £5,000 for individual asset capitalisation, NHS foundation trusts had scope to apply a different threshold, if it was more practicable for them to do so. Only a very small number of foundation trusts have taken the opportunity to deviate from £5,000. The de minimis limits additionally apply to the total cost of collections of assets individually costing less than the limit, but forming a capitalised group asset.

The *FReM* does not prescribe a single de minimis capitalisation limit across all government departments. However, for consistency of approach across the group, it was proposed to remove the scope to set different limits for NHS foundation trusts, and require a de minimis limit of £5,000 for all entities.

Consultation question 4:
Do you have any comment on the proposals to consistently apply the de minimis capitalisation threshold for non-current assets across all entities in the accounting boundary?

Summary of responses

A number of responses suggested that the impact of this proposal would not be significant and welcomed a consistent approach being taken across the group. Some FTs confirmed that they already apply the £5,000 threshold. However, various respondents highlighted that this threshold has applied for a number of years and now represents a relatively low value at which to capitalise assets, particularly in comparison to similarly sized public bodies not in the departmental group. One FT disagreed with the proposal on this basis, pointing out the additional work that would be required to change their capitalisation threshold.

Where an FT changes its capitalisation threshold in line with adoption of a common threshold for the group, the need for guidance on implementing this transition was highlighted. The amount of work that could be required to achieve compliance was also noted.

DH's decision

Although there were indications of support for a higher capitalisation threshold, few disagreed with the principle of consistently applying a standard limit across the group. Noting also that the precise effect of the proposal was to remove the flexibility previously available to FTs to set a threshold *lower* than £5,000, we have implemented a common threshold of £5,000 as proposed.

Where an FT increases its capitalisation threshold to £5,000 in line with the guidance in the *GAM*, this will be a change in accounting policy. The published *GAM* allows these FTs to apply discretion in determining whether the effect of this is sufficiently material to require prior year restatement in their annual accounts.

We note the support for an increase in the group capitalisation threshold. Clearly such a change would require careful consideration of the financial and administrative impacts and could therefore not have been introduced in the final stages of drafting the *GAM 2016-17*. However, we will explore with the national bodies whether there is a case for introducing a change in the future.

E. Other changes

As the first combined accounting manual for all NHS bodies, including foundation trusts, the *GAM* is effectively a new document, although it incorporates content from the previous *DH Group Manual for Accounts* and *FT ARM*. There are therefore many changes to layout, wording and style, which are too numerous to highlight individually.

Importantly, there have been no changes to the 2016-17 *FReM* compared with the updated 2015-16 *FReM*, and no significant changes to accounting standards for 2016-17. Changes incorporated into the *GAM* are therefore largely for clarity and presentation.

The following minor changes should be noted:

- Chapter 3 Annex 1 lists the accounting standards currently applicable to the DH group. This appeared in the previous DH manual, and is now cross-referenced to more detailed guidance elsewhere in the draft *DH GAM*.
- Paragraphs 5.64 to 5.66 have been updated to make reference to the source of pensions disclosure information. Additional reference has been made to the requirement for employers to understand the nature of other schemes of which their employees may be members and to make a judgement on the disclosure requirements under IAS 19, as interpreted in the FReM.
- Chapter 6 Annex 4 includes a new section (paragraph 18 onwards) explaining the budget impacts of service concession arrangements and the information required in summarisation schedules to enable the department to make the necessary adjustment on consolidation.

Consultation question 5:
Do you have any comments on the other changes listed or any other amendments?

Summary of responses

There were a large number of general comments on the draft *GAM* and a number of bodies included their responses to Question 5 under this heading. Several responses expressed the view that the merger of the two previous manuals would provide greater consistency across the group.

One respondent commented on pension disclosures and queried whether the remeasurement of defined benefit liabilities recognised in other comprehensive income should be recognised in the general fund / retained earnings reserve, as required by the previous DH manual, rather than in a separate component of taxpayers' equity. In line with the treatment previously applicable for FTs, the *GAM 2016-17* does not mandate this.

The same respondent raised the need for further guidance, possibly outside the *GAM*, on the application of IAS 19, Employee Benefits, to the reporting of defined benefit schemes (for example, Local Government Pension Schemes) and how they are represented in the accounts and equity.

Additionally, it was queried why there remain some differences in guidance for NHS trusts and FTs, such as the greater disclosures required for service concession arrangements. This reflects the fact that Monitor (operating as NHS Improvement) are responsible for publishing a separate consolidated account for the FT sector and collecting the data required for this. In some cases, this results in differences in presentation or data collection methodology that affects the level of detail FTs are required to include in their underlying accounts. From 2017-18, NHS Improvement will be responsible for collecting and consolidating accounts data from both FTs and NHS trusts, and will seek further convergence.

DH's decision

We will consider the need for separate guidance on defined benefit pensions, but have not expanded the guidance in the *GAM*.

We have implemented the changes listed above as proposed.

We will continue to review differences in guidance for FTs and NHS trusts and consider whether further convergence can be achieved.

Consultation question 6:
Do you have any general comments on the draft *DH GAM*?

Several respondents provided the bulk of their comments under this question, a number including lists of specific points cross-referenced to the text. Comments ranged from minor drafting points to fundamental questions about the nature and purpose of the *GAM*.

We have considered various comments on drafting, presentation and clarity and have addressed these in the published text where appropriate. We have also noted a number of potential improvements to consider in future years. A number of comments related to procedural issues outside the scope of the accounting and reporting guidance provided in the *GAM*. We have noted these issues, but have not changed the text of the *GAM* as a result.

In light of the number of other comments received we have, for clarity, summarised the most significant points raised and DH's responses in the table below.

Summary of responses	**DH's decision**
There were requests for consistency in how sectors of the DH group are referred to and how they are defined.	As set out under Question 3, this is now addressed in a new section 'Scope and Definitions' at paragraphs (xiii) to (xvi) on pages 15-16 of the *GAM*.
It was suggested that, rather than simply being updated year on year, the *GAM* should address specific new developments	We note the suggestion. However, this would be a fundamental change to the purpose and approach of the *GAM*. We

and areas of historic difficulty in preparing accounts.	believe there is an ongoing need for a standing framework of accounting guidance tailored for the DH/NHS group, equivalent to HMT's *FReM*. However, as issues arise we will discuss with NHS England and NHS Improvement what would be an appropriate approach on new developments and areas of difficulty.
There were requests for greater guidance on how income and expenditure, for instance, should be analysed, with clearer definitions for the headings used.	Some of these definitions currently appear in guidance for summarisation schedules, whilst the level of detail in the *GAM 2016-17* reflects the guidance that appeared in the previous manuals. We will consider for 2017-18 whether the *GAM* should include more explicit guidance.
It was suggested that the *GAM* adopt similar terminology to the Charities SORP, which uses 'must', 'should' and 'may' to indicate the extent to which requirements are mandated.	This would require an extensive review of the *GAM* text, and we have not undertaken this for 2016-17. We will consider doing so for 2017-18. Whilst drafting the *GAM 2016-17*, we have attempted to use clear language, but accept that the word choice is not consistent through the document. As a rule, we have not intended 'must' and 'should' to have different meanings, and requirements set out in the *GAM* should be taken to be mandatory unless clearly stated otherwise.
It was commented that the structure of the *GAM* could be improved. For instance, guidance on accounting for income appears in multiple places.	In drawing up a structure for the *GAM 2016-17*, we have needed to strike a balance between creating an altogether new document and ensuring that guidance merged from the previous manuals is recognisable by users of those manuals. We will consider for 2017-18 what further improvements can be made.
Some audit firms sought greater clarity on the inclusion of VAT in property valuations.	Whilst emphasising that the approach to valuing properties is primarily a matter for valuation experts, we have now amended

	the published *GAM* to set out circumstances in which it is permissible to value properties net of recoverable VAT.
There were requests for clarity on the status of example accounts templates and accounting policies.	The *GAM* provides a principles-based framework of mandatory accounting requirements, which entities should apply in conjunction with the relevant accounting standards. Where templates are provided, these are intended as a tool to assist in producing *GAM* compliant accounts. Additionally, entities must be able to populate summarisation schedules, and following the format of accounts templates facilitates this. Going forward, we will continue to consider whether the extent to which the *GAM* mandates the content of financial statements and notes is appropriate.
There were a number of comments about the content of the staff report and costs note, including which areas were mandatory for audit	The staff report section has been amended to reflect the inclusion of the full staff numbers and costs analysis in the annual report, in line with Treasury expectations. Additionally, a limited analysis of staff costs appears in the accounts notes The *GAM* lists those elements of the staff report that are subject to audit.
There were a number of comments on the annexes relating to the Better Care Fund (BCF) and Pooled Budgets. It was pointed out that the BCF guidance, which focuses on joint arrangements, did not reflect the reality of many of the commissioning arrangements that had been established. It was also suggested to merge the two annexes.	The BCF guidance was drafted after extensive discussions in 2014-15. Although the underlying principles have not changed, we recognise that the guidance is becoming outdated as models develop. We have made only limited changes in the *GAM 2016-17*, but going forward we will consider revisiting the guidance.
There was a request for clarity about the valuation of loans with the department, the approach to which is specified in example	We have provided additional guidance in Chapter 6 Annex 1 confirming that loans with the department should be reported at

accounts templates but not the *GAM*.	historic cost, and explaining the rationale for this.
There were various comments about FAQs, including the number and timing of these issued for 2015-16. One respondent suggested consulting on these. Other comments remarked on how late in the year the discount rates and other variable figures are published and notified to DH Group bodies.	Some FAQs are expected to be issued each year, for instance to update Treasury discount rates and Injury Cost Recovery rates, which are not available in the timescale for the production of the *GAM*, or to provide guidance on issues that arise after the *GAM* has been issued. Often, there is a need to issue FAQs quickly. However, where relevant we consult with bodies such as NHS England, NHS Improvement and the National Audit Office before issuing FAQs. A higher than usual number of FAQs were issued for 2015-16 and we are not seeking to repeat this. Details of revised discount rates are released by Treasury each December, and we update the *GAM* promptly. It is not possible to make these figures available earlier.
There were requests for clarity on additional guidance and where this is published.	Guidance relevant to the whole DH group, such as Agreement of Balances, will be published alongside the *GAM*. Whilst this guidance does not form part of the *GAM*, entities are nevertheless expected to follow it. Sector specific guidance will be made available by the relevant national bodies through their own channels.
It was noted that references to NHS Improvement, Monitor and NHS Trust Development Authority were not always consistent.	Monitor and NHS Trust Development Authority are separate legal entities operating as a single organisation known as NHS Improvement. However, some functions, particularly the issue of accounts directions to FTs, are functions of the relevant legal entity. Where this is the case, we have reflected this with terminology such

	as ‘Monitor (operating as NHS Improvement)’. Where functions are purely administrative, we have simply referred to NHS Improvement.
It was suggested that Chapter 3 Annex 6, describing differences between the accounts of NHS trusts and FTs, be deleted.	We agree that this is no longer required and have deleted it.
There was a request for clarity on whether internal audit expenditure includes staff costs.	We have clarified that this heading relates only to non-staff costs. However, there is a separate requirement for FTs to enter information on staff related internal audit expenditure in their summarisation schedules.
There were requests for clarity on the split of Administration and Programme income and expenditure in summarisation schedules.	We have amended the guidance to clarify that analysis by Administration and Programme headings is no longer required in underlying accounts but is required in summarisation schedules. The total figures provided in these schedules should be consistent with the aggregate figures reported in accounts.
It was noted that guidance on status changes in NHS trusts was limited compared with FTs.	We have expanded the guidance for NHS trusts.
It was suggested that the *GAM* should prohibit the production of a combined annual report and accounts for the final period of operation of an NHS trust that attains foundation trust status and for the initial period of the resulting FT.	We agree and have required the production of separate documents for the two entities.
There were various suggestions and requests for clarity in relation to disclosures the Staff and Remuneration Report.	We have considered these comments and made some changes. However, we have not attempted to address every conceivable situation, and entities should familiarise themselves with the underlying guidance and legislation and apply judgement where

	necessary.
Attention was drawn to differences in valuation between operational and surplus assets, and it was suggested surplus assets should be reported as a separate category.	Guidance in the *GAM* is consistent with that in the *FReM*. This includes the asset categories, which feed into Whole of Government Accounts.
An audit firm commented on the distinction between 'critical accounting judgements' and 'key sources of estimation uncertainty' and the fact that the *GAM* appeared to treat these as a single disclosure.	We have clarified that these are separate disclosure requirements.
The Sustainable Development Unit provided details of current online guidance on sustainability reporting.	We have provided a link to this guidance.

5. Conclusion to the consultation

We are grateful for all the responses we received to our consultation. As a result of these, we made a number of changes to *GAM 2016-17* before publication, which we hope will ensure it better meets users' needs. In considering these comments, we have needed to ensure that the guidance given is clear and sufficient, without becoming overly detailed or prescriptive. In some cases, therefore, we have noted comments made but have concluded that the guidance should remain as drafted.

This is the first year in which we have published a combined *DH Group Accounting Manual*, providing accounting guidance to the whole of our departmental group. FTs will continue to follow a separate manual for annual reporting purposes only. There is no doubt scope for further improvement to the *GAM*, and we have taken away a number of issues from this consultation for consideration in drafting the 2017-18 manual. We will welcome your input to the *GAM 2017-18* in due course.

The published *GAM 2016-17* can be accessed at the following link:

https://www.gov.uk/government/publications/department-of-health-group-accounting-manual-2016-to-2017

Annex 1: List of responders to the consultation

Deloitte LLP
Ernst & Young LLP
Grant Thornton UK LLP
Healthcare Financial Management Association (HFMA)
Health Research Authority (HRA)
National Audit Office (NAO)
NHS England (NHS Commissioning Board)*
NHS Improvement (Monitor and NHS Trust Development Authority)
Public Health England
Sustainable Development Unit

NHS foundation trusts

Dorset Healthcare University NHS Foundation Trust
Lancashire Care NHS Foundation Trust
Oxford Health NHS Foundation Trust
Royal Berkshire NHS Foundation Trust
Royal Devon and Exeter NHS Foundation Trust

NHS trusts

North Bristol NHS Trust
Portsmouth Hospitals NHS Trust
St Helens and Knowsley Teaching Hospitals NHS Trust

Clinical commissioning groups (CCGs)

Lincolnshire East CCG
Southern Derbyshire CCG

*NHS England provided a response for themselves, and Commissioning Support Units (CSU),