



Financial Reporting Advisory Board Paper

Department of Health Group Manual for Accounts 2016-17: merger with the NHS Foundation Trust Annual reporting Manual

Issue:	This paper provides an update on progress in respect of the 2016-17 Department of Health Group Manual for Accounts merger with the Foundation Trust Annual Reporting Manual.
Impact on guidance:	The Manual supplements the FReM for the DH Group
IAS/IFRS adaptation?	N/A
Impact on WGA?	N/A
IPSAS compliant?	N/A
Interpretation for the public sector context?	N/A
Impact on budgetary regime?	N/A
Alignment with National Accounts	N/A
Impact on Estimates?	N/A
Recommendation:	The Board are asked to note the Department's plans for providing a merged Manual.
Timing:	2016-17

DETAIL

Background

1. FRAB members were informed of the Department of Health's intention to move towards the issue of a single DH Group-wide manual for accounts at FRAB 122 (Nov 2014). A subsequent update in March 2015 informed FRAB members of the revision to the timetable for implementing

a single manual, with the aim to merge the DH Manual for Accounts with the NHS Foundation Trust Annual Reporting Manual (FT ARM) (currently produced by Monitor for the NHS Foundation Trusts) by 2016-17.

Department of Health Group Manual for Accounts 2016-17

2. The Department and Monitor have discussed the structure and completion timetable for the manual. An outline for the merged manual has been agreed, and a plan for revising the content has been set out with the intention of presenting a draft for approval by FRAB in March 2016.

3. The conjoined manual will provide one detailed direction over accounts for all Department of Health bodies including NHS foundation trusts. Monitor and the Department have agreed that Monitor will retain responsibility for setting the direction over NHS foundation trust's annual reports, with the Department approving this guidance. This is because NHS foundation trusts have a different accountability and governance model to other bodies, and foundation trusts' annual reports have differed from other bodies for this reason, with Monitor having expertise in this area. Monitor will continue to ensure these requirements for annual reports are consistent with the principles of the FRaM and will engage with FRAB if any new divergences are proposed.

4. Monitor's annual reporting guidance will direct foundation trusts to follow the DH manual for accounting purposes. All other NHS bodies will follow the DH manual for both annual reporting and accounting purposes.

5. DH and Monitor will work to complete a draft version of the merged manual in time to present it at the March FRAB meeting. There will follow a period of consultation with the departmental group. Local NHS bodies have repeatedly told us that they do not wish to see the subsequent year's reporting manual prior to this as until May they are solely focussed on the close down for the prior financial year. The aim will be to complete the final version of the manual in July 2016 following the consultation.

Recommendation

6. FRAB is invited to comment on the proposals for completing the manuals as described above.

Department of Health

10 November 2015