

Board Meetings held in Common – in private

Paper Title: NHS England Annual Report and Accounts 2018/19

Agenda item: 2

Report by: Katherine Ibbotson, Director of Governance and Legal

Decision Making Responsibility:

NHS England	<input checked="" type="checkbox"/>
NHS Improvement	<input type="checkbox"/>
NHS England and NHS Improvement	<input type="checkbox"/>
N/A - joint discussion	<input type="checkbox"/>

Purpose of Paper:

- To present to the Board the latest draft of the Annual Report and Accounts for information.
- To invite the Board to review the draft annual report, prepared as at February 2019.
- Resolve to delegate authority for approval of the final report to the Audit and Risk Assurance Committee (ARAC).

The NHS England Board is invited to:

- Give feedback on the emerging content and structure of the draft Annual Report as presented in Appendix A by 3 April 2019.
- Note the next steps as presented in Appendix B.
- Delegate authority for approval of the final report to ARAC.

NHS England Annual Report and Accounts 2018/19

Purpose

1. To present to the Board the latest draft of the NHS England Annual Report 2018/19 for information and review, and resolve to delegate authority for approval of the final report to the Audit and Risk Assurance Committee (ARAC).

Background

2. In line with requirements of the Health and Social Care Act 2012, NHS England and all Clinical Commissioning Groups (CCGs) must produce an annual report and accounts, including an annual governance statement. Each year, the Department of Health and Social Care's (DHSC) Group Accounting Manual sets out the core structure and content of the annual report as mandated by HM Treasury. Additionally, NHS England's Annual Report must contain an assessment of:
 - The extent to which it met any objectives or requirements specified in the Government's mandate to NHS England for that year;
 - The extent to which it gave effect to the proposals for that year in its business plan, and;
 - How effectively it discharged its duties to: improve the quality of services; reduce inequalities; and ensure public involvement and consultation.

Analysis since update

3. In line with recommendations of the National Audit Office (NAO), as complete a draft as possible of the Annual Report has been prepared as at February 2019 on an 'as if' end of year basis as much as possible. The draft is presented as **Appendix A**. Key points to be aware of:
 - ARAC received a copy of the Month 9 draft report at its meeting on 27 February 2019.
 - The performance report is retrospective, detailing performance against year 2/2 of the Five Year Forward View Next Steps document, focussing on the five priority programmes and in line with the performance reports submitted to the Board during 2018/19. It also includes updates on other major programmes and brings most of the previously annexed material into the main body of the performance report.
 - The style and appearance of the report will largely mirror that of last year's report. A typesetter has been appointed and initial contact has been made to agree how we will work collaboratively to deliver this year's Annual Report.
 - The attached draft Annual Report is a far more complete document than at the same point last year, however drafting notes throughout the document indicate where content remains outstanding and/or requires update at year end.

4. A full month 9 account has been prepared, following the HMT Financial Reporting Manual and the DH Manual for Accounts. The account comprises the NHS England parent account (NHS England and Commissioning Support Units) and the NHS England group account (parent plus CCGs) for the period ending 31 December 2018.
5. The parent account and Annual Report is currently subject to a full interim audit by the NAO. Initial comments from the NAO on the Annual Report advise that the final draft must present a fair balance of, and be consistent with, the issues that the NHS is facing to allow certification. This will be addressed through ongoing drafting and review by the executive, ARAC and the Board.
6. Feedback from the NAO, DHSC and NHS England's Legal team has been received and will be addressed as part of final content commissioning.

Next steps or timeline

7. The high-level timetable and next steps are set out in **Appendix B**.
8. The Annual Report and Accounts will next be presented to ARAC for review and approval at their meeting on 28 June.

Recommendations

9. The Board is invited to:
 - Give feedback on the emerging content and structure of the draft Annual Report as presented in **Appendix A** by 3 April 2019;
 - Note the next steps as presented in **Appendix B**.
 - Delegate authority for approval of the final report to ARAC.

NHS England Annual Report 2018/19
February 2019 Draft

Please note that this full draft of the Annual Report and Accounts document has been placed in the Board Intelligence Reading Room, due to its size.

APPENDIX B

High-level Timetable

NHS England Activity	Required By
MARCH 2019	
Commission content updates for year-end position. Note: Any updates required as a result of feedback from the Board will be requested in addition to this process.	26 March
<i>Board:</i> Present draft Annual Report to the Board for review, further to ARAC's review and request to consider Statement of Disclosure for Auditors. Delegate approval to ARAC	28 March
APRIL 2019	
Deadline for submission of National Director approved year-end content	16 April
<i>SRO and CFO</i> Receive yearend draft of Annual Report for review	29 April
MAY 2019	
Draft report to be shared with the Board, National Directors, DHSC & NAO.	09 May
Chair / Chief Exec to receive final draft for review	23 May
Chair / Chief Exec to provide final comments	30 May
JUNE 2019	
Draft report to be shared with the Board, National Directors, DHSC and NAO for information.	14 June
Final Annual Report and Accounts to be shared with ARAC	18 June
<i>Audit and Risk Assurance Committee:</i> Approve final Annual Report and Accounts and make recommendation that Accounting Officer signs	28 June
JULY 2018	
Accounting Officer to sign	2 July
Annual Report and Accounts submitted to NAO for certification	3 July
Comptroller and Auditor General to certificate Annual Report and Accounts	9 July
DHSC laying date / Written Ministerial Statement	11 July