



Department
of Health &
Social Care

Agreement of Balances

Quarter 2 (M6) 2018-19 Update

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Introduction

The Agreement of Balances (AoB) exercise is key in ensuring that the DHSC group accounts are not materially misstated. Additionally, it is also important in demonstrating good financial management across the organisations which make up the group, and should not be undertaken in isolation from the day to day accounts.

This document should be read in conjunction with the Agreement of Balances guidance which can be found on Gov.uk/dh.

Updates

1. Quarter 4 (M12) 2017/18 exercise

The Department would like to say thank you for everyone's participation in the exercise and can confirm that we achieved an immaterial level of mismatches for the exercise.

2. Quarter 2 (M6) 2018/19 exercise

Quarter 2 (M6) will be a scaled back exercise, as it was in 2017/18. Receivable organisations must send Receivable statements showing invoiced transactions, within the timetabled dates, but there is no requirement to formally agree balances or make an AoB submission. The Department encourages bodies to seek agreement of balances, as this may assist with underlying financial/cash management and lead to beneficial impacts for Quarter 3 (M9) and Quarter 4 (M12). There is no I&E AoB process for Quarter 2 (M6) 2018/19.

3. AoB Contact Lists

Contact lists have been refreshed for Quarter 2 (M6) and will be circulated by DHSC via the National Bodies. It is important that all contact details are checked and correctly updated by organisations when National Bodies request a Contact List data refresh, as amending data after distribution results in all bodies having to recirculate the data. Where they haven't already, can organisations please make arrangements to ensure that for future periods, generic email addresses are set up, as these are less likely to require amendment.

For NHSE, the contact lists are password protected and the password will be provided to all organisations at the start of the exercise via the national bodies. This should be shared with all staff needing access to the information.

If an email containing your statement is returned undeliverable, please inform your National Body, in order that the issue can be resolved or escalated for future exercises.

4. National Agreement of Balances Portal Project or Agreement of Balances Service

The Department has become aware of a software system(/s) that are being sold by a private company under the names shown above. The Department neither supports nor opposes the use of the system by Group bodies, at this stage, but is currently gathering further information on the product and wants to make all DHSC Group bodies aware, that the system does not

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remove the need for group bodies to participate in full in the DHSC agreement of balances exercises, which includes sending AoB statements, agreeing balances and resolving mismatches with counterparties, in accordance with the DHSC Agreement of Balances Guidance.

The Department would like to understand how many Group bodies have signed up to the system. If your organisation has signed up please email to the DHSC AOB mailbox (AoBCoordination@dh.gsi.gov.uk) to confirm this position.

5. Future Guidance

The Agreement of Balances Guidance document is unchanged from Quarter 4 (M12) 2017-18. DHSC will issue guidance of the impact of changes in the NHS Supply Chain arrangement and of the adoption of IFRS15, on the AOB exercise, in due course.