

TO: 2gether NHS Foundation Trust Board

FROM: Sandra Betney, Director of Finance

DATE: 27th April 2009

SUBJECT: Audited restatement of Balance Sheet under International Financial Reporting Standards (IFRS)

1 PURPOSE

This report details the independent assurance for the Trust's restated balance sheet as at 31/03/2008

2 SUMMARY OF KEY POINTS

- The restated balance sheet was approved by the Governance Committee on 22nd December 2008 and submitted to Monitor at the end of December 2008
- The restated balance sheet has been audited by the Trust's external auditors and no issues were raised, as reported to the Governance Committee on 18th March 2009
- The audited restated balance sheet now needs Board approval before being sent to Monitor

3 RECOMMENDATIONS

It is recommended that the Board note the audit report and agree the audited restated balance sheet

4. WHICH TRUST KEY STRATEGIC OBJECTIVES DOES THIS PAPER PROGRESS OR CHALLENGE?

Supporting clinical care		Skilled workforce	
Getting the basics right		Using better information	
Social inclusion		Financial efficiency	
Seeking involvement		Legislation	

5. WHICH TRUST VALUES DOES THIS PAPER PROGRESS OR CHALLENGE?

Seeing from a service user perspective			
Excelling and improving		Inclusive open and honest	
Responsive		Can do	
Valuing and respectful		Efficient	

6. REVIEWED BY:

Forums / Community groups who's views have been sought

	Date

7. CONTEXT

The first process in changeover from accounting under UK to international financial standards is to restate the opening balance sheet at the 'date of transition'. For NHS bodies this is 1 April 2008. The balances to restate are the same as the closing

balances for 2007/08. Restatement of the balances at 1 April 2008 provides the basis for reworking the 2008/09 results on an IFRS basis. These reworked 2008/09 results will be included as comparators in the first set of IFRS financial statements for 2009/10

8. DISCUSSION

8.1 The restated balance sheet was accepted and approved by the Governance Committee on 22nd December 2008 and submitted to Monitor. This restatement has now been audited and the auditors have raised no issues as detailed in the attached report.

8.2 Monitor now expect boards to make the following statement:

“The board is satisfied that, to the best of its knowledge, the Trust’s balance sheet as at 1 April 2008 has been materially restated in accordance with the requirements of the NHS Foundation Trust Financial Reporting Manual 2009/10.”

Monitor expects that “In gaining reasonable assurance as to the accuracy of the restatement of its balance sheet as at 1 April 2008, the board will have received and considered appropriate independent assurance. The degree of independent assurance received and the extent of work undertaken to support such assurance will reflect the size and complexity of any adjustments required”. Appendix 1 details the statement that will be submitted to Monitor.

8.3 The attached audit report is evidence that the board has received “considered appropriate independent assurance”. This report along with the restated balance sheet and the board statement will need to be sent to Monitor by 1st May 2009.

APPENDIX 1

STATEMENT

The Board of 2gether NHS Foundation Trust is satisfied that, to the best of its knowledge, the Trust's balance sheet as at 1 April 2008 has been materially restated in accordance with the requirements of the NHS Foundation Trust Financial Reporting Manual 2009/10.