

Anomalies in practice accounts

Nick Holmes explains how to spot them.

Whether you are looking at your practice's annual accounts, management accounts or undertaking your normal monthly review of practice income and expenditure, you should be able to identify any irregularities without having to do a full audit of every transaction.

Instead of working through every item, line-by-line, use the following checklist to help you spot and rectify any anomalies. Although the list is not exhaustive, if you follow it a couple of times, you should eventually become adept at identifying the problem areas.

The focus for this article is income and in the following two articles I shall look at expenditure and drawings and the balance sheet.

Contract income: this should fluctuate throughout the year according to your list size so you need to identify if there should be a change that your primary care trust has yet to implement. There are usually numerous contract adjustments every month and you need to be able to verify them. Mistakes can and often do happen.

MPIG reduction for GMS contracts: it is not enough to simply be aware that the MPIG reduction is offset by the contract increase. Keep the MPIG information separate and track it. Often, an incorrect change in list size, together with a rent back-pay award, can be hidden by this reclassification.

Seniority: do not leave this to your accountant to monitor. If you only see your accountant once or twice

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● Make sure the figures add up by checking the problem areas.

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a year you could already be 18 months behind an underpayment or overpayment position. When your annual estimate of pensionable pay is submitted to the Primary Care Support Service be aware of what to expect for any reduced or increased seniority for the partners. Why and when has an adjustment happened? To ignore this can cost the practice cash-flow advantage since overpayments can be thousands of pounds.

Enhanced services: numerous and confusing are two words that come to mind. You should be able to break down every enhanced service that you should and have received into those that are paid in advance and in arrears. On review, if you think that you have been overpaid or underpaid then query it. Your accountant can help support your argument by providing the previous year's figures in an easy to follow schedule.

QOF: with the 70 per cent upfront and reward amounts constantly changing, identify how well you really have done and try and track it to the figures you have in the practice's management and annual accounts. Do not confuse what appears to be a bad performance with a cautious debtor in the accounts.

Non-NHS income – the 10 per cent rule: although not a major part of the practice accounts, non-NHS income is nevertheless important. Make sure that it does not rise above 10 per cent of total practice income otherwise you risk a rent abatement. If it does go above 10 per cent then find out why. Is it because of accounting adjustments in a one-off year or an increase in personal income? Once you find out, discuss it with your accountant. Should it be managed off site, or should it be declared personally and not form part of the practice accounts?

Non-NHS income – tax and National Insurance: identify partners with employment income in addition to their surgery profit share. If they are paying tax at source for this income you can apply for a Nil Tax code on this income to assist with the partners' cashflow. You can also apply for a National Insurance deferment. Your accountant can help with both of these.

Non-NHS and other NHS income – received and paid to partners: if the practice receives out-of-hours or private income is the amount superannuable or not? If deducted at source, is it at the correct rate? If it is not deducted directly are you holding it back from the payout to the partner each month? If so, is it the correct amount? Remember the PCSS will chase the practice for the superannuation, but the HMRC will look to the individual partner for the tax. ■

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Patients unhappy with GPs

New studies show that two-thirds of patients around the world feel disrespected by their doctors. Unclear communication is a prime reason for patients' dissatisfaction. About a quarter of patients globally complain that physicians don't answer questions, don't involve them in treatment decisions and use medical terms with no explanation. This appears to be a direct outcome of doctors not spending enough time with patients. About a third of patients also believe doctors show disrespect by not being punctual for appointments.

Patients in China (55 per cent) and Germany (51 per cent) are particularly displeased with the limited time they get from their doctors. Chinese patients are also far more likely than respondents in other countries to say their doctors don't explain medical terminology. In contrast, in Australia, France and the US patients are much more concerned about doctors' lack of punctuality.

'Clearly, people are not experiencing the level of service and respect they see in other arenas in their doctors' offices,' says Chris DeAngelis, SSI's vice president, Strategic Initiatives. 'When we look across 23 countries, we see that only three in 10 patients rate the care they receive from their doctors as excellent -- and less than half would recommend their physicians.'

Around the world, patients' unwillingness to recommend their doctors is primarily due to long wait times. The one exception is China, where the number one reason patients would not recommend their doctors is 'lack of medical expertise'. More than half of Chinese patients reported that their doctors needed to improve both the instructions they give on follow-up care and the thoroughness of examinations.

The SSI and The Research Intelligence Group studies show that only a quarter of patients are happy with their involvement in treatment decisions. ■



● Patients complained that GPs didn't see them on time.