
Hereford Hospitals Acute NHS Trust

Annual Audit Letter
Audit 2005/2006
October 2006



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- Auditors may report aspects of their work widely to the public and other key stakeholders.

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Purpose, responsibilities and scope

The purpose of this letter

- 1 The purpose of this Annual Audit Letter (letter) is to summarise the key issues arising from the work that we have carried out during the year. Although this letter is addressed to the directors of the Trust, it is also intended to communicate the significant issues we have identified, in an accessible style, to key external stakeholders, including members of the public. The letter will be published on the Audit Commission website at www.audit-commission.gov.uk and also on the Trust website.
- 2 This letter has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission. This is available from www.audit-commission.gov.uk.

The responsibilities of the auditor and the Trust

- 3 We have been appointed as the Trust's independent external auditors by the Audit Commission, the body responsible for appointing auditors to local public sector bodies in England, including NHS trusts.
- 4 As the Trust's external auditors, we have a broad remit covering financial and governance matters. We target our work on areas which involve significant amounts of public money and on the basis of our assessment of the key risks to the Trust achieving its objectives. It is the responsibility of the Trust to ensure that proper arrangements are in place for the conduct of its business and that public money is safeguarded and properly accounted for. We have considered how the Trust is fulfilling these responsibilities.

The scope of our work

- 5 We plan and carry out an audit that meets the requirements of the Audit Commission's Code of Audit Practice (the Code). Under the Code, we are required to review and report on:
 - the Trust's accounts; and
 - whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- 6 In addition to this, we use our assessments to provide scored judgements for the Healthcare Commission to use as part of its annual health check.
- 7 This letter summarises the significant issues arising from both these areas of work and highlights the key recommendations that we consider should be addressed by the Trust. A list of all reports issued to the Trust in relation to the 2005/06 audit is provided in the closing remarks section at the end of this letter.

Key messages

- 8 The following matters should be considered by the Trust Board.

Table 1 Key conclusions and required actions

Area	Issue/conclusion	Recommended action
Accounting issues	<p>The financial statements were well supported by working papers, but amendments to the financial statements were required.</p> <p>The Statement on Internal Control was not available until late in the audit.</p>	<p>The Board needs to ensure further improvement in financial statement production to reduce post audit amendments.</p> <p>The Board need to ensure that the Statement on Internal Control is available promptly after the year end.</p>
Financial standing	<p>The Trust achieved in year break-even for 2005/06 but was again dependent on non-recurrent measures to deliver financial balance. Achievement of break-even for 2006/07 is challenging and the Director of Finance estimates that the underlying financial deficit is in excess of £4.0m.</p>	<p>The Board needs to ensure that the Trust delivers sustainable financial balance. This will be needed if the Trust is to meet its aim of achieving foundation trust status.</p>
Auditor's local evaluation (ALE)	<p>The Trust has met the required standards in all areas.</p>	<p>The Board needs to monitor progress and outcomes to improve performance to achieve the more challenging targets set by ALE.</p>
Specific risk based work	<p>Work mandated by the Healthcare Commission on Admissions Management, Medicines Management and Diagnostic Services identified scope for improvement.</p> <p>We have made recommendations on:</p> <ul style="list-style-type: none"> • consultant contracts benefit realisation; • payment by results implementation; • emergency admissions; and • data quality. 	<p>The Board needs assurance that agreed recommendations relating to our work are implemented by the agreed date. Particular attention should be given to the high priority (level 3) recommendations.</p>

The audit of the accounts

- 9 We were able to issue an unqualified opinion on the Trust's accounts on 7 July 2006, in advance of the deadline set by the Department of Health. In our opinion, the accounts give a true and fair view of the Trust's financial affairs and of the income and expenditure recorded by the Trust during the year.
- 10 Before we give our opinion on the accounts, we are required to report to those charged with governance, in this case the Trust's audit committee, significant matters arising from the audit. A detailed report was issued on 29 June 2006 and only the key issues are summarised here.

Accounting issues

- 11 The accounts were produced on time and complete. The standard of working papers to support the accounts was good. It is pleasing to note that there has been a continued improvement in the accounts production process. There were, however, a number of issues arising from the audit that required restatement in the financial statements. None of these impacted on the reported income and expenditure position.
- 12 Our audit includes consideration of the Statement on Internal Control, which is a key document in the Trust's governance framework. The Statement was not available for audit until the end of June 2006 and required amendment.

Recommendations

R1 The Board needs to ensure further Improvement year-end processes to ensure that financial reporting and Manual for Accounts issues are properly disclosed.

R2 The Board needs to ensure that the Statement on Internal Control is produced promptly and accurately reflects the issues relating to the governance framework.

Financial standing

Year ending 31 March 2006

- 13 The Trust made a small surplus in 2005/06 of £2,000. At month 11, the Director of Finance reported an overspend to date of £823,000. Break-even was achieved through a combination of savings plan delivery and non-recurrent measures including write-off of the PFI 'sculptured payment', estate revaluation, capitalisation of expenditure and changes to asset lives. We have commented in previous years' letters that the Trust has an underlying deficit and is dependent on non-recurrent measures to achieve break-even. This continues to be the case, although we recognise that the Trust Board is seeking to resolve this through the Foundation Trust work-streams.

Year ending 31 March 2007

- 14 The Director of Finance reported that at the end of August 2006 the Trust's budget was overspent by £2.0m and which would lead to a full year overspend in excess of £4.0m if no action was taken. There is again a need for non recurrent measures to achieve break-even. The Trust's budget includes a £5.2m savings plan and £1.0m of income generation. Non-recurrent measures accounted for £2.9m of this plan and the changes to the Payment by Results tariff mean that income generation targets are not being achieved. The Director of Finance has re-assessed the recurrent financial gap at £4.0m to £5.0m.
- 15 The Trust's Integrated Business Plan identifies that the Trust will eliminate the underlying deficit by the end of 2007/08 if £7.3m of recurrent savings are achieved. Two key actions are needed.
- Consolidating clinical service into the PFI hospital, enabling the hutted wards to be closed.
 - Reducing headcount to improve workforce productivity.
- 16 The Director of Finance estimates that closure of the hutted wards would release £1.1m. It is planned to close one of the hutted wards during 2006/07. The Trust's ability to close all of these beds is constrained by:
- higher than profiled emergency activity;
 - targets for elective waits are more demanding than when modelling was done; and
 - community hospital usage has not been as effective as planned.
- The aim is to close all of the hutted wards by 31 March 2008.
- 17 The Head count reduction agreed with the SHA is estimated to release £2.3m by the end of 2008/09. Managing this reduction in total staffing will be challenging for the Trust.
- 18 The remaining £3.9m of savings is planned to be delivered by:
- procurement and PFI savings (£1.1m);
 - staffing controls and productivity improvements (£2.5m); and
 - other savings (£0.3m).
- 19 The Trust needs to deliver these savings while maintaining patient activity and the quality of patient care. This is particularly challenging and it is unlikely that sufficient productivity gains are achievable within the existing configuration of acute hospital services. There is however more scope to improve productivity within Herefordshire if the Trust has responsibility for delivering 'provider' services currently managed by the PCT. This would be a significant change for both the Trust and the PCT and requires the full commitment of both Boards. There is a need to explore this option and assess whether the potential productivity gains are sufficient to deliver recurrent financial balance.

Recommendations

R3 The Board must monitor progress with the delivery of recurrent and non-recurrent financial savings in 2006/07, to ensure financial targets are met. The Board need to be confident that the planned actions will meet the required financial outcomes.

R4 The Board needs to ensure that an effective plan is implemented to achieve the closure of the hutted wards by 31 March 2008.

R5 The Board needs to ensure that there is a clear plan in place to reduce whole time equivalents and progress against the plan is reported to them.

R6 The Board needs to engage with the PCT to assess whether the transfer of 'provider' services would provide sufficient scope for productivity improvements to deliver recurrent financial balance.

The Trust's use of resources

- 20 We are required to issue a conclusion on whether we are satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money conclusion.
- 21 We are also required to assess how well NHS organisations manage and use their financial resources by providing scored judgements on the Trust's arrangements in five specific areas. This is known as the Auditor's Local Evaluation.

Value for money conclusion

- 22 We concluded that the Trust does have adequate arrangements in place to secure value for money in the use of resources. We reported our findings in the Annual Governance Report in July 2006.

Auditor's Local Evaluation

- 23 We assessed the Trust's arrangements in five areas. Each area was scored from 1 to 4 (1 = Below minimum requirements - inadequate performance; 2 = Only at minimum requirements - adequate performance; 3 = Consistently above minimum requirements - performing well; 4 = Well above minimum requirements - performing strongly). A detailed report supporting our assessment and highlighting areas for improvement will be issued to the Trust in October.

Table 2 ALE scores

Area	Score	Recommended action
Financial reporting	2	Covered above.
Financial management	2	Detailed actions in ALE report.
Financial standing	2	Covered above.
Internal control	2	Detailed actions in ALE report.
Value for money	2	Covered above.

- 24 Although the Trust met the minimum requirements in 2005/06 it will need to strengthen its controls and procedures in each of these areas if its aspiration to become a Foundation Trust is to be achieved. The Trust is aware of this and is taking action via its preparation for its Foundation Trust application. In particular it is preparing an Integrated Business Plan which will help drive improvement.

- 25 The Trust could achieve level 3 scores in some areas for 2006/07. Particular areas for improvement to achieve this are as follows.
- Financial reporting – reduce further the level of errors included in the accounts presented for audit and ensure compliance with Manual for Accounts reporting requirements.
 - Financial management – developing financial forecasting, activity based costing and working capital management.
 - Value for money – develop workforce planning, routinely use patient feedback to inform Board and Executive decision making, ensure data quality arrangements are ‘fit for purpose’ and demonstrate the achievement of efficiency improvements.

Achievement of a level 3 assessment overall for the Trust in 2006/07 will be demanding. It is essential that financial balance is delivered in 2006/07 to achieve either level 2 or 3 overall.

- 26 The Trust has a challenging task to improve its arrangements and performance and the Board is addressing a wide range of issues. Plans are being addressed through the Foundation Trust work-stream programme.

Recommendation

R7 The Board must monitor progress and outcomes against the various plans in place to improve the Trust's position.

Specific risk-based work

- 27 We also carried out a specific pieces of work as follows:
- follow-up review of last year's waiting list spot check audit;
 - Acute Hospitals Portfolio;
 - Benefits realisation from implementing new Consultant Contracts;
 - Implementation of Payments by Results;
 - County wide review of Emergency Admissions; and
 - Follow-up review of Data Quality arrangements.

Waiting List Spot Check Follow-up

- 28 The 2005/06 follow-up spot check reviews provided an assessment of whether arrangements for ensuring the accuracy of waiting lists have improved, deteriorated or been maintained. Having reviewed waiting list management arrangements at all acute trusts over a period of three years, the Healthcare Commission was keen to ensure that improvements had been achieved.

- 29 At the time of the original work, the Trust was preparing for a replacement PAS. The existing system at the time was very old and limited in functionality. The Trust experienced delays beyond their control in the implementation of the new PAS. Implementation of the new system is now timetabled for October 2006.
- 30 Recommendations that were not dependent on the new PAS have been implemented. However, five of our original 11 recommendations have not yet been implemented. These cover:
- the implementation of automated routines to support the production of central returns;
 - running workshops for staff who enter data and complete returns;
 - review staffing levels within the call centre;
 - amendments to the access policy; and
 - reviewing access rights to systems.

We understand that these will be addressed once the new PAS system is operational.

Recommendation

R8 The Board must ensure that outstanding spot check of waiting times recommendations are implemented promptly once the new PAS is operational.

Acute Hospitals Portfolio

- 31 The Acute Hospitals Portfolio review of services was carried out on behalf of the Healthcare Commission and was mandatory in all acute trusts. The aim was to inform the Trust about its comparative performance. A data submission was made by the Trust from 2005/06 data and a validation process carried out. This information was then used to compare key performance indicators with other trusts. Reports were produced and action plans agreed based on the 2005/06 data.
- 32 Three services were reviewed this year:
- admissions management – Healthcare Commission assessment 'good';
 - diagnostic services – Healthcare Commission assessment 'good'; and
 - medicines management – Healthcare Commission assessment 'fair'.

Admissions management

- 33** Admissions management performance was analysed across three broad categories; emergency admissions, elective admissions and capacity. Key findings were as follows.
- The proportion of patients spending more than four hours in Accident and Emergency is average compared to other trusts.
 - Placement of patients admitted as emergencies needs to improve as 10 per cent of surgical beds are occupied by medical 'outliers'.
 - Efficiency gains could be made in the use of medical beds by decreasing the length of stay of emergency medical patients and treating them in more appropriate settings.
 - Procedures sampled indicated that waiting list management is not equitable as patients are not admitted in the order they are placed on the lists.
 - Cancellations of operations for clinical reasons is very high compared to other trusts.
 - Few patients are offered a choice of admission date in line with best practice for waiting list management.
 - There is good performance in the usage of surgical beds, with 90 per cent of patients admitted on the day of surgery.
 - Medical bed numbers are low compared to the levels of emergency medical admissions, indicating that there are not enough beds provided for emergency medical demand per thousand population.
 - Bed occupancy is so high it does not facilitate optimum care. Occupancy of medical beds at 99.67 per cent is one of the highest in England and ideally would be lower than surgical bed occupancy (97 per cent) to facilitate flexibility for emergencies.
- 34** The Trust's performance in a number of areas is good, for example, A&E admission times. However, there are clearly a number of areas where admissions management can be strengthened. We made three high priority recommendations. These are: to ensure patients are admitted to appropriate clinical settings, to increase efficiency and throughput of medical beds, and to provide patients with choice in their admission date. It is also clearly very important that the Trust's plans for hatted ward closures are compatible with managing the capacity pressures on clinical beds.

Recommendation

R9 The Board needs to ensure that:

- *all patients are admitted to wards which are most appropriate for their care needs;*
- *ways to reduce length of stay amongst medical emergency patients are investigated as a matter of high priority; and*
- *patients are offered a choice of admission date.*

R10 The Board must ensure that plans for hatted ward closure and the re-provision of beds are consistent achieving sufficient capacity in medical beds.

Diagnostic services

- 35** Diagnostic service performance was analysed over three services; pathology, endoscopy and diagnostic imaging. The overall assessment of these services by the Healthcare Commission was 'good'

Pathology

- 36** We concluded that pathology service users receive an effective service, but there is scope to improve test turnaround times. Performance against clinical quality indicators was good. There is however a need to modernise chlamydia trachomatis testing. We found that a high proportion of requests had key data items missing, including patient identification, exposing the Trust to clinical risk. Capacity appeared to be adequate, although we found that the numbers of biochemistry tests were high compared to other trusts. There has been little progress towards service development in pathology.
- 37** We made five high priority recommendations to increase efficiency by reducing test turnaround times, improve value for money and reduce clinical risk by more extensive use of Nucleic Acid Amplification Tests (NAATs) in chlamydia trachomatis testing, improve information provided on test requests, review biochemistry test volumes and develop pathology service planning.

Recommendation

R11 The Board needs to ensure that:

- *an action plan is implemented to reduce pathology test turnaround times;*
- *NAATs is used more extensively in chlamydia trachomatis testing;*
- *improvements are made in information provided by both GPs and wards on test requests;*
- *the comparatively high volume of biochemistry tests is investigated and appropriate action taken; and*
- *a three year service planning cycle is reintroduced for pathology services.*

Endoscopy

- 38 Patient experience of endoscopy services were found to be generally good, with low overall waiting times and good availability. Good practice was evident in report turnaround times within one day. There is scope to improve patient focus by improving consent procedures. Clinical quality performance is mixed. Although the monitoring and auditing of clinical indicators is high in comparison to many other trusts there is no monitoring of the quality of written requests, or unplanned overnight admissions. Where there is monitoring, there is no feedback to clinicians and no changes are made. Endoscopy capacity and demand appear reasonably well balanced, but there are a very high number of planned follow ups impacting on capacity. We also noted that there are a low number of recovery places per endoscopy room and patient access to toilet facilities are poor. Efficiency of endoscopy staffing could be improved and there is a high level of sickness absence.
- 39 We made six high priority recommendations to improve patient experience, reduce clinical risk and improve performance monitoring an increase efficiency.

Recommendation

R12 The Board needs to ensure that:

- *consent procedures meet best practice requirements;*
- *monitoring, auditing and feedback of clinical indicators is improved;*
- *the high numbers of planned follow up endoscopy sessions is reviewed;*
- *adequate recovery and toilet facilities are provided for endoscopy patients;*
- *the high sickness absence rates of endoscopy unit staff is reduced; and*
- *late starting and early finishing sessions are monitored.*

Imaging

- 40 We found that user experience of the Trust's imaging service is generally good. We did conclude, however, that waiting and turnaround times need to improve and child protocols and facilities are not adequate. Reporting arrangements did not compare favourably to other Trusts, with only 69 per cent of examinations resulting in some form of report by a radiologist or radiographer. Capacity and demand is well matched and most aspects of management and efficiency are effective. The Trust is not, however, using all of its equipment efficiently.

- 41 We made two high priority recommendations to improve turnaround times and ensure facilities for children meet best practice.

Recommendation

R13 The Board needs to ensure that:

- *turnaround times for urgent outpatient and GP referrals for imaging are reviewed; and*
- *imaging practices and facilities for children are aligned with best practice.*

Medicines management

- 42 The final area reviewed was medicines management. The Trust's performance in this area was assessed as 'fair'.
- 43 We concluded that there are weaknesses in the Trust's formulary and noted that the average spend per patient has grown from £10.70 in 2001 to £43.96 in 2006. Risk assessment processes are not always adhered to and a high number of unlicensed drugs are used which have no risk assessment. The Trust compared poorly to others in its anti-microbial prescribing and aseptic preparation. Dispensing for discharge arrangements were also found to be poor. The Trust compares very well to others in its introduction of automation in line with the national programme.
- 44 We have made four high priority recommendations to improve understanding of the risks associated with unlicensed drugs and anti-microbial resistance and to reduce patient discharge delays. It is also important that the Trust ensures that its drugs expenditure is well controlled.

Recommendation

R14 The Board needs to ensure that:

- *medicines risk management, particularly with respect to unlicensed drugs, is improved;*
- *strategy guidelines and audit of anti-microbial prescribing is developed;*
- *risk assessment practices for aseptics are urgently improved; and*
- *dispensing for discharge for General Medical patients is implemented.*

Consultants contracts – benefits realisation

- 45 The consultants' contract implementation at the Trust began in June 2003 and was complete by October 2004. Since then progress towards embedding the use of the contract and job planning process in service modernisation has been slower than the Trust would like, with only two of the three care groups embracing the new arrangements well. The costs associated with implementing the new contract have been considerable, with an unexpected shortfall of £1.1m in the first year alone. Whilst this was partially eased by an injection of £680,000 from Herefordshire PCT, it still leaves a considerable ongoing shortfall to be met by the Trust.

- 46 We concluded that Benefits realisation arrangements for the new consultants' contract were weak. The original implementation was conducted as a 'must do' initiative, without a formal benefits realisation framework surrounding it. Despite this the implementation was a partial success. Two of the clinical care groups have benefited from implementing the new contract, increasing levels of workforce flexibility in some specialties.
- 47 The job planning process is not becoming embedded as part of the overall service modernisation agenda in all care groups. The initial job plans set up in the Ambulatory Services Care Group in 2004 have not been reviewed.

Recommendation

R15 The Board needs to ensure that:

- *a clear benefits realisation framework for consultants contract is in place before the benefits review exercise is carried out;*
- *the Ambulatory Care Group reviews the implementation of consultant contract arrangements against its service modernisation objectives; and*
- *all Care Groups examine job plans to ensure effective linkage to operational demands.*

Implementation of Payments by Results

- 48 We reviewed the Trusts progress with the implementation of Payment by Results (PbR) and carried out a data analysis exercise. We concluded that the Trust had recognised and acted on the key PbR requirements and issues. Care Group reporting now provides a clear indication of PbR implications and consolidation of these reports at Board level would increase organisational awareness.
- 49 Although the Trust has complied with national timetables and guidance there is still work to do on establishing effective arrangements for managing PbR. In particular, performance monitoring arrangements are not in place. This should include reporting to the Board, users of clinical coding and the regular involvement of clinicians in the validation of activity and coding.
- 50 A benchmarking exercise was undertaken, comparing 2004/05 activity with the 2006/07 national tariff. This identified that the Trust's total cost of activity covered by the tariff, resulted in a £1.4m surplus. This was largely due to Non-Elective Inpatient activity covered by tariff reporting a surplus of £2.3m. However, outpatient activity covered by tariff reported a £1.7m deficit, with adult follow up attendances in clinical haematology and rheumatology having the largest variances. We are currently working with the Trust to understand these variances, as there were data quality issues with the 2004/05 activity data.

Recommendation

R16 The Board needs to ensure that:

- *PbR reporting is improved at Board level;*
- *performance monitoring arrangements are developed for data quality and clinical coding; and*
- *Reference Cost and Tariff comparisons are developed and reasons for significant variances from Tariff are investigated and understood.*

County-wide review of emergency admissions

- 51 The audit was carried out at the Trust and PCT. The main objective was to establish the progress made in identifying and addressing the causes of the increasing emergency admissions, identify what additional steps could be taken by the health economy to reduce emergency admissions, and to comment on which of these are likely to have the most significant impact.
- 52 We concluded that capacity planning assumptions relating to reductions in emergency activity have not been met. The health economy has a significant challenge in reversing the trend, achieving the national bed day reduction target and ensuring that the Trust has sufficient capacity to deliver elective activity to meet waiting time targets.
- 53 The health economy does not yet have a clear plan for managing emergency demand. It has many of the necessary elements in various new and ongoing programmes of work, including Chronic Conditions Management (CCM) and Unscheduled Care. These need to be brought together, prioritised and taken forward under clear leadership. The intention is that this will be done through the Integrated Service Improvement Programme (ISIP).
- 54 There is currently a gap in planning for urgent care, and no specific plans to address patient flows through A&E. Without this there is a danger that the success of other developments in tackling emergency demand may be compromised.
- 55 Monitoring information does not provide a consistent picture of whether emergency bed days are increasing or decreasing and is not helping the Trust and PCT to understand the trends and the causes of increases. The Trust and PCT do not routinely monitor the same information on emergency admissions and bed days. Both the Trust and PCT need to improve the way they use and share information, and agree on appropriate joint sets of data to monitor progress against capacity and performance targets.
- 56 A significant proportion of A&E attendances are considered by the Trust to be inappropriate. Without means of diverting these before they reach A&E, or providing additional triage within A&E, the pressure will continue and the Trust and PCT will not meet their target reductions in emergency activity. The Trust is currently considering development of its A&E facilities, including the possibility of an emergency assessment unit. Delay in agreeing the way forward on this has not helped the Trust in trying to manage demand.

- 57 Whilst comparative data indicates that the Out of Hours (OOH) service is performing well against key national performance standards, in the absence of a comprehensive urgent care service in Herefordshire it is not working effectively as part of a whole system for urgent care. There is no hard evidence to support the Trust's view that the changes to OOH arrangements have been a major factor in increasing A&E attendances, but neither can this be discounted.

Recommendation

R17 The Board needs to ensure that the Trust works effectively with the PCT to:

- *develop urgent care planning as part of the Unscheduled Care Redesign Programme;*
- *jointly review progress against the Emergency Admissions action plan;*
- *agree a common data set to monitor emergency admissions, re-admissions and emergency bed days on an ongoing basis;*
- *report consistent information to both Boards on emergency activity; and*
- *improve triage arrangements in the A&E department and re-consider the provision of GP or other primary care support to the department.*

Data quality follow-up review

- 58 In April 2005, we completed an acute data quality review at the Trust as part of a programme of data quality reviews on behalf of the Healthcare Commission. We have followed up review with implementing our recommendations.
- 59 Overall responsibility for data quality in the Trust has not been assigned. Work being done for the Foundation Trust bid preparation is tackling poor practice at operational level. However, at corporate level, insufficient emphasis is being given to the requirements for ensuring good quality information.

Recommendation

R18 The Board needs assurance that:

- *that responsibility for data quality at director level is clearly assigned;*
- *the responsibility for and implementation date of outstanding recommendations is specified; and*
- *the recommendation tracking system clearly identifies the progress with implementing our outstanding data quality recommendations.*

Closing remarks

- 60 This letter has been discussed and agreed with the Chief Executive and Director of Finance. A copy of the letter will be presented at the Audit Committee on 9 October 2006 and copies will be provided to all Board members.
- 61 Further detailed findings, conclusions and recommendations on the areas covered by our audit are included in the reports issued to the Trust during the year. These are listed in the following table.

Table 3 Reports issued in relation to the 2005/06 audit

Planned output	Actual date of issue
Audit Plan	March 2005
Spot Check Follow-up	March 2006
Annual Governance Report	June 2006
Payment by Results Implementation	June 2006
Opinion on Financial Statements	July 2006
Value for Money Conclusion	July 2006
Consultant Contracts Benefits Realisation	July 2006
Emergency Admissions (draft)	July 2006
Acute Hospitals Portfolio	August 2006
Data Quality Follow Up	September 2006
Auditors' Local Evaluation	October 2006
Annual Audit Letter	October 2006

- 62 Trust officers have taken a positive and constructive approach to our audit and I would like to take this opportunity to express my appreciation for their assistance and co-operation throughout the audit.

Marks Stocks
Engagement Lead

October 2006