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Sherwood Forest Hospitals NHS Foundation Trust

Annual Audit Letter

Year ended 31 March 2018

Government & Public Sector

June 2018

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The Council of Governors
Sherwood Forest Hospitals
NHS Foundation Trust,
King's Mill Hospital,
Mansfield Road,
Sutton in Ashfield,
Nottinghamshire,
NG17 4JL.

June 2018

Report to the Council of Governors

Dear Ladies and Gentlemen,

We are pleased to present our Annual Audit Letter summarising the results of our audit for the year ended 31 March 2018. We look forward to presenting it to the Council of Governors of Sherwood Forest Hospitals NHS Foundation Trust.

Yours faithfully

PricewaterhouseCoopers LLP.

PricewaterhouseCoopers LLP

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1. Introduction

The purpose of this document

This letter provides the Council of Governors of Sherwood Forest Hospitals NHS Foundation Trust ("the Trust") with a high level summary of the results of our audit for the year ended 31 March 2018, in a form that is accessible for you and other interested stakeholders.

We have already reported the detailed findings from our audit work to the Audit Committee in the following reports:

- audit opinion on the financial statements for the year ended 31 March 2018;
- report to those charged with governance (ISA (UK) 260);
- limited assurance opinion on the Trust's Quality Report for the year ended 31 March 2018; and
- the 'Governors Report' (long form report) setting out the findings arising from our work on the Quality Report for the year ended 31 March 2018.

Scope of work

We performed our audit in accordance with the International Standards on Auditing (UK) ("ISAs UK") and the Comptroller and Auditor General's Code of Audit Practice ("the Code"), which was issued in April 2015. Our reports and audit letters are prepared in accordance with the ISAs (UK) and the Code and all associated Audit Guidance Notes issued by the National Audit Office and relevant requirements of the NHS Act 2006.

The Board of Directors is responsible for preparing and publishing the Trust's financial statements, including the Annual Governance Statement. The Board of Directors is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of the Trust's resources.

As auditors we need to:

- form an opinion on the financial statements;
- review the Trust's Annual Governance Statement;
- form a conclusion on the arrangements in place to secure economy, efficiency and effectiveness in the use of the Trust's resources; and
- perform procedures on the Trust's Quality Report, including:
  - provide an opinion on the content of the Trust's Quality Report and the consistency of the document with a number of information sources specified by NHS Improvement;
  - provide an opinion on two performance indicators included within the Trust's Quality Report, as specified by NHS Improvement; and
  - provide a summary of findings arising from our work on one performance indicator selected by the Governors.

We carried out our audit work in line with our 2017/18 Audit Plan that we issued in January 2018.

2. Audit findings

Financial statements

We completed our audit work over the financial statements during May 2018 and issued an unqualified audit opinion on the financial statements on 29 May 2018, with the inclusion of a material uncertainty paragraph, referring to the Trust's reliance on external borrowing to continue as a going concern. The Directors included additional disclosures within the Performance Report and note 1.1.2 of the financial statements in respect of going concern, reflecting the reliance on ongoing loans in order to meet its liabilities. This position is similar to a number of other NHS trusts where large deficits mean drawing on cash loans.

We identified a number of misstatements during our audit of the financial statements and reported these to the Trust's Audit Committee. These related to the accounting treatment of the Trust's Private Finance Initiative (PFI).

- **Prior Period Adjustment (PPA) –** Prior to the Trust publishing its draft accounts we identified the need for a PPA for its PFI scheme as contingent rent and lifecycle replacement costs had not been accounted for in line with 2009 Department of Health guidance 'Accounting for PFI under IFRS'. The impact on the financial statements of the changes had a material impact on the previous reported figures. The Trust provided information on the prior period adjustment in note 31 of the financial statement, as follows:

  "The PPA has resulted in a £42.0m gain in brought forward income and expenditure reserves as at 1 April 2016 and an additional £5.1m operating gain recognised in 2016/17. These adjustments were offset by a reduction in the carrying value of the lease liability as at 31 March 2017 of £47.1m."

  The Trust updated its PFI accounting model for these changes.

- **Finance lease liability and uncorrected Misstatement** - We audited the Trust's updated PFI accounting model and considered the initial calculation of the fair value of the PFI asset and corresponding finance lease liability. We identified a number of items that we did not believe should have been included within the original fair value calculation (these were interest, and the inclusion of bond fees in the original fair value). Following discussions with the Trust, and engagement with our own specialist advisers, we agreed that the original fair value calculation of £366.5 million was overstated compared to the £332.8 million fair value excluding the items noted above. The impact of updating the original fair value was to reduce the carrying value of the finance lease liability as at 31 March 2018. The Trust agreed to amend the financial statements to include the updated finance lease creditor carrying value at £268.4 million. The change to the original fair value calculation also had an impact on the amount of interest charged to the Statement of Comprehensive Income. The impact was a £1.542 million increase in 2017/18, and a £1.581 million increase in the 2016/17 comparative, when compared with the draft financial statements. The Trust did not adjusted the financial statements for the impact on the Statement of Comprehensive Income on the basis that these changes were not material.

Information on the misstatements identified above is included in Appendix 1 of this report.

The following key accounting issues were reported to the Audit Committee prior to the approval of the financial statements:

Valuation of Land and Buildings

For non-specialised buildings the Trust's valuation is based on market value. The Trust's valuer apportioned the market value between the residual amount (the land) and the depreciable amount (the buildings) and estimated a remaining life for the buildings. For specialised properties, where a valuation based on market values is not appropriate, the value is based on depreciated replacement cost. This is the current cost of replacing an asset with its modern equivalent, were you to build it again now, less deductions for physical deterioration and obsolescence.

The valuation of land and buildings involves judgement. We reviewed the classification of assets as either specialised or non-specialised, and agreed that the correct classification had been used. We also utilised our own expert valuer to assess the work of the Trust's valuer. We:

- Tested the underlying data (upon which the valuation was based) back to prime evidence such as floor plans for a sample of buildings;
- Assessed that the key assumptions used by the District Valuer in arriving at their valuation were reasonable;
- Agreed the valuations of land and buildings to information provided directly by the District Valuer;
- Analysed the mechanics behind the calculation of the revaluation; and
- Checked that the revaluations of individual land and buildings were accounted for in line with the relevant accounting standards.

We identified differences in the floor areas of assets valued by the Trust's external expert and data held by the Trust's estate department. The financial impact of these floor area differences was estimated at £6.4m. We investigated these differences and identified that these were due to alternative methods used for measuring floor space. We assessed the impact of the differences and concluded that the Trust's approach was satisfactory. Other inputs and assumptions used by the Trust's independent valuer were acceptable. Our own valuation expert concluded that the District Valuer is 'suitably qualified and has the sufficient knowledge to carry out the valuation' and that 'we consider the valuer's approach and the valuation inputs to be reasonable'.

Sustainability and Transformation Fund (STF)

The majority of foundation trusts agreed a financial control total at the start of the year with NHS Improvement (NHSI). The Trust agreed a deficit plan of £46.44 million with NHSI for 2017/18. The recognition of £6.567 million of 'core' Sustainability and Transformation Fund (STF) money in the 2017/18 financial statements reflects the Trust's performance against its control total. NHS Improvement confirmed in a letter to the Trust on 20 April 2018 that the Trust was entitled to receive its STF monies in full and, due to the Trust improving on its control total, the Trust had earnt £5.941 million of 'incentive' STF monies, £2.834 million of 'general distribution' funds and a further £1.574 million of 'bonus' STF monies. The income confirmed on 20 April 2018 is reflected in the Trust's accounts within Other Operating Income.

The table below shows the Trust's financial outturn for 2017/18 excluding the impact of STF monies and impairments (which are ignored when identifying the Trust's control total).

One-off items included in the result for the year	2017-18 £'000	Explanation
Surplus/(deficit) per financial statements	**13,308**	
Reversal of impairments recognised in the SoCI during 2017/18.	(36,521)	Removing the impact of a reversal of impairments recognised in 2017/18, which are ignored when agreeing control totals.
Surplus not including impairments	**(23,213)**	
Sustainability and Transformation Fund – core	(6,567)	In 2017/18 The Trust has achieved part of the 'core' STF income available. On 20 April 2018, the Trust was informed of additional incentive, general distribution and bonus money, which was confirmed by NHS Improvement as being payable to the Trust.
Sustainability and Transformation Fund – incentive money	(5,941)	
Sustainability and Transformation Fund – general distribution	(2,834)	
Sustainability and Transformation Fund – bonus money	(1,574)	
Surplus/(deficit) before one-off items	**(40,129)**	

Value for Money

Under the Code of Audit Practice, we must satisfy ourselves, by examination of the financial statements and otherwise, that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of the Foundation Trust's resources. As part of our audit we are required to conclude on whether the Trust had in place, for the year ended 31 March 2018, proper arrangements to secure economy, efficiency and effectiveness in its use resources.

We issued a modified 'except for' conclusion on 29 May 2018 in respect of Value for Money. The basis for our opinion is set out below:

The Trust's outturn position for 2017/18 is a deficit from continuing operations excluding the impact of impairment in 2017/18 of £23.2 million. The Trust is forecasting a deficit of £46.4 million in 2018/19 before the receipt of £12.4 million of Provider Sustainability Fund income, which is dependent on meeting financial and performance targets. The Trust has been reliant on external cash support from the Department of Health on a rolling monthly basis throughout 2017/18 and based on its financial plan for 2018/19, significant external financial support will be required for the foreseeable future. The 2018/19 plan assumes £34 million in revenue loan support will be required. These issues are evidence of weaknesses in proper arrangements for planning finances effectively to support the sustainable deployment of resources to deliver the Trust's strategic priorities.

The Trust is subject to a Section 111 license condition, which requires it to ensure that sufficient and effective management and clinical leadership capacity and capability is in place. This condition remains in place at the date of the audit report. This provides evidence of weaknesses in leadership which may impact on the Trust's ability to achieve its strategic objectives.

We concluded that, except for the matters above, the Trust had put in place proper arrangements for securing economy, efficiency and effectiveness in the use of its resources for the year ended 31 March 2018.

We are also required to disclose, either in our auditor's report on the financial statements or in this letter, 'enhanced auditor reporting' information about the scope of our work relating to the Value for Money work that we perform. This is included in Appendix 2.

Annual Governance Statement

The aim of the Trust's Annual Governance Statement ("AGS") is to give a sense of how successfully the Foundation Trust has coped with the challenges it faced, drawing on evidence on governance, risk management and controls. We reviewed the AGS and considered whether it complied with relevant guidance and whether it was misleading or inconsistent with what we know about the Foundation Trust.

We identified issues with the AGS relevant to the Quality Report: there was a lack of consistency between statements made in the Annual Governance Statement and the conclusions in our limited assurance report. We suggested the Trust should amended wording once our work on the Quality Report was complete. The Trust updated the AGS accordingly.

No further areas of concern were identified.

Quality Report

We were required by NHS Improvement to review the content of the 2017/18 Quality Report, test three performance indicators and produce two reports:

1. ***Limited assurance report:*** This report is a formal document that requires us to conclude whether anything has come to our attention that would lead us to believe that:

   – The Quality Report does not incorporate the matters required to be reported on as specified in the FT ARM and the "Detailed requirements for quality reports for foundation trusts 2017/18";
   – The Quality Report is not consistent in all material aspects with source documents specified by NHS Improvement; and
   – The specified indicators have not been prepared in all material respects in accordance with the criteria set out in the FT ARM and the "Detailed requirements for external assurance for quality reports for foundation trusts 2017/18".

As a result of our work, our limited assurance report in respect of the mandated performance indicators was qualified as follows.

Basis for Disclaimer of Conclusion – Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period

The 18 week indicator is calculated each month based on a snapshot of incomplete pathways and reported through the Unify2 portal. The data reported is subsequently updated by Sherwood Forest Hospitals NHS Foundation Trust for any identified errors through a continuous validation process. However, the process is not applied to the whole data set and focuses only on the longest waits, working backwards through the waits as far as capacity allows. This process operates similarly across the NHS.

In our testing we found a number of errors in the data: one where the clock had not been stopped when it should have been; one where a start clock had not been started when it should have been; and another where the clock had been incorrectly stopped when it should not have been. Each of these resulted in the patient's wait being reported, or not reported, incorrectly.

Sherwood Forest Hospitals NHS Foundation Trust was not able to review and update the whole data set used to calculate the indicator. Therefore, we were unable to access accurate and complete data to check the waiting period from referral to treatment reported across the year.

Basis for Disclaimer Conclusion - Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge

We identified that due to the current configuration of System One, the system used by Sherwood Forest Hospitals NHS Foundation Trust in A&E, we are unable to confirm the start and stop clocks to supporting evidence. This is because the system does not capture a history of supporting evidence for amendments to this data and there is no supporting evidence retained outside the system.

We also found that start clocks for ambulance arrivals are not being captured in line with NHSI's definition for "the Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge", which specifies that the clock start time for patients arriving by ambulance is when hand over occurs, or 15 minutes after the ambulance arrives at A&E, whichever is earlier. Sherwood Forest Hospitals NHS Foundation Trust currently uses the arrival time in department without adjustment, which would fall after ambulance arrival but before handover. The total number of arrivals by ambulance make up 22.5% of patients who attended A&E. The issue of difficulty in measuring ambulance arrival time due to lack of accurate data has been identified across a number of trusts, nationally.

In addition, we found stop clocks for admissions to wards in the hospital did not appear to be calculated in line with guidance that this should be based on physical departure time, but instead use the time of the decision to refer to ward. Sherwood Forest Hospitals NHS Foundation Trust admitted 19.84% of patients attending A&E to wards during 2017/18.

The matters leading to the qualification of the indicators discussed above have been identified at a number of NHS trusts. We did not find any evidence of deliberate manipulation of performance data through our work on these indicators.

2. ***Governors report:*** A private report on the outcome of our work that is made available to the Trust's Governors and to NHS Improvement. This includes the conclusions in respect of content and consistency checks and testing of specified indicators.

We identified 22 recommendations as a result of our testing over the quality report indicators and our checks on the content and consistency of the Trust's Quality Report. These are shown in Appendix 4.

Appendices

Appendix 1: Summary of uncorrected misstatements

The following misstatements were identified during the audit and were not corrected by management. Both management and the Audit Committee were satisfied that these misstatements remained uncorrected as they did not have a material impact on the financial statements.

No	Description of misstatement		Income statement		Balance sheet		Cash flow	
	F = factual, J = judgmental, P = projected		Dr	Cr	Dr	Cr	Dr	Cr
1	Dr Interest Expense: PFI obligations Cr Finance Lease Liability Being an adjustment to reflect the impact on the Statement of Comprehensive Income of the increased interest charge arising from changes to the PFI accounting model.	F	£1.542m -	- -	- -	- £1.542m	- -	- -
Total uncorrected misstatements			**£1.542m**	**-**	**-**	**£1.542m**	**-**	**-**
Net impact on the income statement of uncorrected items			**£1.542m***	**-**	**-**	**-**	**-**	**-**

It should also be noted that a £1.542 million reduction in the Trust's financial performance might put at risk Sustainability and Transformation Fund income of the same amount. The Trust should seek confirmation from NHS Improvement that no STF money will be recovered due to this unadjusted misstatement.

Appendix 2: 'Enhanced auditor reporting' relating to our work on 'Value for Money'

We are required to provide 'Enhanced auditor reporting' in relation to the work supporting our conclusion on whether the Trust had in place, for the year ended 31 March 2018, proper arrangements to secure economy, efficiency and effectiveness in its use of resources. As permitted by Application Guidance Note 7 'Auditor reporting', issued by the NAO on 21 December 2017, we have elected to include this reporting in this letter.

The scope of our audit

The scope of our work is determined by the requirements outlined in Application Guidance Note 3 'Auditor's work on Value for Money (VFM) arrangements' (AGN 03) issued by the NAO on 9 November 2015

As part of designing our work on VFM, we considered materiality and assessed the risks of the Foundation Trust not having put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

AGN 03 requirements us to use the following evaluation criterion to form our opinion:

> "In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people"

In order to help us consider this overall evaluation criterion, the NAO have outlined the following sub-criteria which are intended to guide our work and reach an overall judgement;

- informed decision making;
- sustainable resource deployment; and
- working with partners and other third parties.

These criteria are not separate and we are not required to reach a distinct judgement against each one.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in forming the conclusion on whether the Trust had in place proper arrangements to secure economy, efficiency and effectiveness in its use resources and include the most significant assessed risks of failing to put in place proper arrangements identified by the auditors, including those which had the greatest effect on:

- the overall audit strategy;
- the allocation of resources in our work; and
- and directing the efforts of the engagement team.

These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our work on arrangements to secure value for money as a whole, and in forming our conclusion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks we identified.

Key audit matter	***How our audit addressed the Key audit matter***
Financial Sustainability and Going Concern The Trust's annual plan for 2017/18 was for a significant deficit before receipt of any STF monies. The Trust continues to rely upon revenue loans to support cash requirements.	• Review of the Annual Plan 2018/19. • Review of the cash flow forecast to May 2019. • Review of cost improvement plans for 2018/19 and delivery of the 2017/18 plan. • Review of signed CCG revenue contracts for 2018/19.
Enforcement action The Trust remains under a Section 111 condition in respect of its management and clinical leadership capacity and capability. We have considered the latest position in respect of this condition as part of our VfM work.	• Consideration of enforcement action and the impact on our VfM conclusion.

How we tailored the scope of our work

We tailored the scope of our work to ensure that we performed enough work to be able to report on whether the Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its Use of Resources.

Appendix 3: Summary of recommendations (Quality Report)

	Observation	Recommendation
Review of the content requirements		
1.	The Trust produced eighteen drafts of the Quality Report, though the last two had only trivial amendments. Nine copies (including the final two) were provided to us to review content. We did detailed reviews on four of these, with an additional check of all errors being correct in one. For the other four, we identified substantial errors when compared to the guidance on mandatory content or a failure to make requested changes so the Trust was asked to update for our comments before further checks were undertaken.	Due to the timescales required for the completion of the quality report, and the fact that there is a time lag before some final quarter data is ready for inclusion, it is inevitable that some data will not be ready for the first draft of the report, however comparable trusts have typically provided us with three or four versions, with only a maximum of three having detailed checks. The Trust should ensure the requirements of the FT ARM and associated guidance are reviewed and incorporated into the original drafts of the quality report. Where the exact wording of sentences and/or paragraphs are mandated, ensure that these are appropriately highlighted within the document to avoid inadvertent modification.
2.	Part 2 of the guidance for the completion of quality reports requires trusts to include statements of assurance by the Board on a range of measures, including: • The most recently published data for core indicators, with prior period comparisons, a national average, and the highest and lowest comparable results at other Trusts. The Trust did not include the majority of this information in initial drafts and ultimately had to include a statement that there was information it could not obtain in the quality report. We note that other comparable trusts were able to obtain this information.	We would recommend that the Trust review the required mandatory information as part of their project plan for the production of the 2018/19 Quality Account and plan how the required information may be obtained. As above, measures should be inserted into the draft reports to highlight what sections are mandatory wording and need to be retained.

	• Information on learning from deaths, which was a new requirement this year. The Trust had to make several amendments to this section as the guidance had not been followed. Ultimately one of the requirements has partially been omitted (a quarterly breakdown of case reviews) following re-writing of the section. Where the Trust has paraphrased or chosen an alternative form of presentation for data required to be provided in a mandated form, this has left the Trust vulnerable to ommissions and reduced comparability with other trusts.	
3.	Part 3 of the guidance for completion of quality reports requires trusts to identify three specific indicators for the areas of patient experience, patient safety and clinical care. In the Trust's Quality Report these are called 'additional priorities' – and do not constitute one specific indicator for each area. This has consequently made it difficult for the Trust to answer the requirement of demonstrating prior period activity and benchmarks for each indicator where possible. By contrast, other trusts are specific on indicators for these three areas, and monitor and report performance against these using KPIs, all year round.	We recommend that the Trust reconsiders the need for specific indicators for the areas of patient experience, patient safety and clinical care and determines appropriate KPIs to measure these in future.
4.	Part 3 of the guidance requires a specific introduction explaining any differences in the indicators as compared to prior year, and why and how this was done. A similar statement on the progress against the Trust's core priorities is required under part 2. The Trust elected to keep this text only in part 2 and declined to include signposting between the sections.	The Trust adopt a system of signposting for occasions where they determine information has already been included elsewhere in the report.

5.	There is a requirement for the Trust to disclose detail about the definition of the indicators subject to audit and statements about the origin and completeness of the population. In addition to the omission of this for RTT (noted below), this was not included for the A&E four hour wait indicator or 62 day cancer waits until requested.	The requirement for this detail be documented within the project plan for the 2018/19 quality report, noting that the 62 day cancer wait may need to be updated depending on the Governor's preferred local indicator.

Review of the consistency of the report with specified source documents

6.	A number of inconsistencies were identified between the specified document and drafts of the Quality Report. For example, these included:. • The complaints report provided was for 2016/17 for checking consistency so we requested this for 2017/18. The Trust has now removed the section on the complaints, concerns and compliments activity that had been in the report. • The consistency statement in the 'Statement of Director's Responsibilities' included consistency with Governor's feedback, but no feedback comment had been obtained. • The Trust elected not to include a section, per regulation 5, on what changes had been made to the document between issue to third parties to comment (principally Healthwatch, the CCG, and the Overview and Scrutiny Committee). This was on the basis they perceived no change had been made. We would note there was substantial reordering and additional context required to be provided. As noted above, we received a number of iterations of the report and it was ultimately version 18 that was agreed as the final form.	We would recommend that the Trust considers all documents with which consistency will need to be checked as part of a project plan. It should then be logged which version is deemed most ready for viewing by third parties, and a record of the changes made thereafter should be recorded and disclosed alongside th third party comments as part of regulation 5. This should also help ensure all members of the Trust are aware of the deadline for a substantially complete version of the quality report and ensure that the number of iterations can be produced.

Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways

7.	Due to limited capacity, the Trust begins its validation work with the longest waits and works backwards to the shorter cases over the month. In our testing we identified one case where the clock was not stopped on a timely basis after treatment was received resulting in the patient being incorrectly included in month end reporting in September 2017.	This issue has been identified in a number of trusts across the country and has arisen since the requirement for auditors to obtain and sample test data from the whole financial period is incompatible with the process trusts are required to follow for the regulator, submitting monthly data to NHSI on referral to treatment times. As it is not possible (due to the volume of cases each month) for trusts to validate the accuracy of every case prior to submission, there is an inherent risk that errors exist in the data each month and that these errors may not be identified until later periods. As trusts archive data each month after submission, it is not possible for trusts to retrospectively correct errors that are identified in a later period. Because this issue is common and inherent in the way in which referral to treatment data is currently handled across the NHS, we do not recommend the Board take significant actions to address the matter. However, we do recommend that the Board persist in reminding staff of the need to accurately record referral to treatment times in line with Trust guidance so that the number of errors that the validation team identify is minimised.
8.	The Trust applies a good practice element of the suite of rules on RTT clocks whereby when it does not have enough capacity to service a planned follow up appointment following treatment, it will trigger a new clock start to monitor the patient's wait. We saw two instances of this, but in one instance we found that the need to start a clock for a follow-up appointment that couldn't be scheduled was only identified the month after a new start clock was required. As a result, in September 2017 a start clock was backdated to 24th August 2017. This should have been reported as an open clock at the end of August 2017 but was omitted.	This issue links back to capacity within the validation team. We would not recommend further action taken in this area, but work with staff on capturing this right first time at the front line would be the best use of limited resource.

9.	In one instance of testing we identified a clock had been stopped in error upon a diagnostic test being run. The case was then not reported between August and October 2017 until the validation team identified the clock had been stopped in error and amended it back to open.	That further work with staff in the applicable specialty is undertaken around eligibility criteria when instances of this are identified.
10.	We identified that the Trust had been calculating the indicator incorrectly for year-end reporting. This should be an arithmetic average of the monthly reporting. Instead the Trust has totalled the number of compliant pathways across each period end report and the total number of pathways. This changes overall performance from 91.4% to 91.5%. At the time of writing this report, we are expecting the Trust to update this figure.	That the Trust calculates this correctly in future.
11.	We identified that the Trust had not included detail about the definition of the indicator, how it was calculated and completeness of the population in the first draft of the quality report. The Trust has since amended this.	That the Trust include this in future.
12.	In our testing we identified an instance where the wrong start clock had been entered, using the date on the referral letter and not the date of receipt of the letter. This added a week to the overall clock, but did not change whether it would have been compliant or not in reporting.	The Trust is exploring data solutions which allow it to compare the date of referral against date of receipt so it can identify any others like this for exception reporting.
13.	In our testing we identified an instance where the patient had been referred electronically and when they logged in to convert their 'choose and book' option to an appointment it was deferred to provider. The individual who rebooked this at the Trust used the following day, when they booked an appointment, instead of the day the patient had attempted to book. This was understood to be done by a temporary member of staff working within the team.	Measures are put in place for reminding temporary staff of the requirements of these key criteria when they cover posts in the team processing appointments.
14.	When reconciling the data in our complete listings of the Trust's raw data to the figures in the Quality Accounts we found a number of small differences (8	The Trust rely upon its own data to compile the figures for the Quality Report.

	cases). This is because the Trust had used the numbers reported by NHS England, not their own submission.	
15.	We identified that the Trust applies a bucketing process to round days over each week down, however it also reports 18 weeks as breaches. The guidance proposes rounding in the opposite direction.	The Trust round up instead for reporting purposes.

Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge

16.	We identified that A&E employees were able to alter the arrival times of patients without an audit trail. For the two instances we identified during sample testing there was no explanation or evidence recorded to give a reason for the alteration.	We recommend that SystemOne be updated to make reasons for adjustments mandatory. In addition, we recommend that the Board remind staff of the need to accurately record patient's journeys to allow accurate reporting against a key performance indicator.
17.	Where the decision is taken to admit a patient onto a ward, the clock stop should be at the time the patient physically leaves A&E to be moved to the bed on the ward assigned to them. During our walkthrough, we identified one case where the clock was stopped 1 hour, 3 mins before the patient arrived on the ward, at the time the decision to admit was taken. Depending on when the patient physically left A&E, the additional wait may have made this patient a breach. We are unable to confirm that this is not happening in other cases. Patients admitted onto a ward during 17/18 total 19.84% of all A&E attendances.	We recommend the Trust seeks to update the Medway system to include a robust way of recording a patients movements and treatments throughout their attendance in the hospital.
18.	As is consistent with other acute Trusts, the Trust are not capturing the arrival time for the ambulance in order to calculate the start clocks in line with the guidance: '*For ambulance cases, arrival time is when hand over occurs or 15 minutes after the ambulance arrives at A&E, whichever is earlier. In other words if the ambulance crew have been unable to handover 15 minutes after arrival that patient is nevertheless deemed to have arrived and the total time clock started.*'	The Trust uses internal data due to concerns with the completeness and accuracy of the Ambulance Trust data. We recommend the Trust liaise with the Ambulance Trust over the data quality of the arrival time information received in order to facilitate more accurate reporting. Alternatively the Trust should seek to ensure that it captures ambulance arrival data as part of its own data capture for this indicator.

19.	We identified that triage times are recorded on the paper patient records. It is then the responsibility of the doctor or nurse to enter the triage time into System One, the ED system. We found that for two patient records the time had not been altered to reflect the actual triage time which indicated that triage occurred later than it actually did. However, this does not effect the indicator reporting as triage time is not used to record clock start times in this Trust.	We recommend that SystemOne be updated to make reasons for adjustments mandatory. In addition, we recommend that the Board remind staff of the need to accurately record patient's journeys to allow accurate reporting against a key performance indicator.
20.	Validation does not occur before reporting on the A&E indicator. A reasonableness check is performed by the Chief Compliance Officers daily but this is only to ensure that major outliers are checked before reporting commences.	The Trust should implement a robust checking and sign off process prior to reporting performance data externally to ensure any errors or inaccuracies in data are identified and corrected prior to submission.

Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers

21.	We were unable to conclude that the reported figures matched the raw data provided to us for the 17/18 year. The Trust has been understating their performance by 0.22% according to our calculations. However, this could be due to month end reporting being at a fixed moment in time whereas Open Exeter will allow adjustments for the rest of the quarter.	The Trust should implement a robust checking and sign off process prior to reporting performance data externally to ensure any errors or inaccuracies in data are identified and corrected prior to submission. In addition, the Trust should implement a monitoring process to track where adjustments are made.
22.	During our time reviewing the indicator we have identified that removal of excluded patients is manual. There is a sample of patients who are marked as deceased checked each month to ensure patient records confirm the patient has passed away and thus should have been removed. Where the patient is removed for another reason, such as chosen not to go ahead with treatment or switched to a private facility there is no further validation which occurs. We have not found any instances within our testing where a patient had been removed incorrectly.	The Trust should implement a robust checking and sign off process prior to reporting performance data externally to ensure any errors or inaccuracies in data are identified and corrected prior to submission.

In the event that, pursuant to a request which you have received under the Freedom of Information Act 2000 (as the same may be amended or re-enacted from time to time) or any subordinate legislation made thereunder (collectively, the “Legislation”), you are required to disclose any information contained in this report, we ask that you notify us promptly and consult with us prior to disclosing such information. You agree to pay due regard to any representations which we may make in connection with such disclosure and to apply any relevant exemptions which may exist under the Legislation to such information. If, following consultation with us, you disclose any such information, please ensure that any disclaimer which we have included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.