

TRUST BOARD PART II – OCTOBER 2012

Agenda Item Number: 174/12
Enclosure Number: (10)

Subject:	Annual Audit Letter
Prepared by: Sponsored & Presented by:	Audit Commission Richard Eley, Interim Director of Finance
Purpose of paper <i>Why is this paper going to the Trust Board?</i>	For Information / Awareness
Key points for Trust Board members <i>Briefly summarise in bullet point format the main points and key issues that the Trust Board members should focus on including conclusions and proposals</i>	This report summarises the findings from the Audit Commission 2011/12 audit.
Options and decisions required <i>Clearly identify options that are to be considered and any decisions required</i>	Receive and note
Next steps / future actions: <i>Clearly identify what will follow the Trust Board's discussion</i>	Communications to post on external PHT website
Consideration of legal issues (including Equality Impact Assessment)?	N/A
Consideration of Public and Patient Involvement and Communications Implications?	N/A



July 2012

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Dear Board members

Portsmouth Hospitals NHS Trust - Annual Audit Letter 2011/12

I am pleased to submit my Annual Audit Letter which summarises my 2011/12 audit of Portsmouth Hospitals NHS Trust

Financial statements

On 6 June 2012 I presented my Annual Governance Report (AGR) to the Trust's Audit Committee outlining the findings of my audit of the Trust's 2011/12 financial statements. I will not replicate those findings in this letter.

Following the Audit Committee I have:

- issued an unqualified opinion on the Trust's 2011/12 financial statements on 8 June 2012, meeting the Department of Health's deadline of 11 June 2012;
- concluded that you have made proper arrangements to secure economy, efficiency and effectiveness in your use of resources;
- completed the external assurance review of the Trust's quality account and issued a separate report of my findings to management on 19 June 2012 and
- certified completion of the audit on 19 June 2012.

Payment by Results (PbR) Data Assurance Framework

In March 2012 the Audit Commission released two PbR Data Assurance Framework reports on the Trust:

- The PbR National Data Assurance report focused on the accuracy of clinical coding data and all data items that affect the price commissioners pay the Trust for a spell under PbR rules. The report highlights the performance of the Trust, which when measured using just the clinical coding HRG error rate, was worse than the national average of 9.1 per cent using the 2009/10 full year results. The Trust's average episode HRG error rate was 10.5 per cent. The Trust explained that the error rate for this period was abnormally high as a result of a change in guidance for cardiac angiography issued in April 2011, which regrettably was not implemented until June 2011. Three recommendations were made as a result of this audit, these related to:
 - Improving the quality of patients case notes;
 - Review the use of proforma forms for coding; and
 - Provide feedback and training to coders on the issues raised in the report.
- The Follow-up Report contained the findings from a follow-up of the most recent recommendations from the previous inpatients data quality review (2009/10), the outpatients data quality review (2009/10) and the reference costs review (2010/11). The report found that the Trust had made good progress in implementing the recommendations agreed from those reviews.

Closing remarks

I have discussed and agreed this letter with the Chief Executive and Director of Finance. While this has been another challenging year for the Trust I wish to thank the finance staff for their positive and constructive approach they have taken to my audit. I also wish to thank senior management and the Audit Committee for their support and co-operation during the audit.

Yours sincerely

Kevin Suter
District Auditor