



Auditors Local Evaluation (ALE) 2007/08

Royal National Orthopaedic Hospital NHS Trust

August 2008

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1 Introduction

1.1 Introduction

The Auditors' Local Evaluation (ALE) process assesses how well NHS organisations manage and use their financial resources and covers the following five themes:

- financial reporting;
- financial management;
- financial standing;
- internal control; and
- value for money (VFM)

Our 2007/08 ALE assessment for the Trust will inform the 'use of resources' assessment within the Healthcare Commission's Annual Health Check which will be published in October 2008.

Each of the five themes outlined above consists of a number of key lines of enquiry (KLOEs) and auditors assess a Trust's performance against these using a scale of one to four. These levels are defined in Table 1.

Table 1 - ALE Scoring Scale

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

The ALE framework has been widely consulted upon and has been developed in partnership with key stakeholders in order to ensure its relevance and fairness.

This report sets out our submitted and agreed scores for financial reporting, financial management, financial standing, internal control and value for money. These scores have been through the national quality control review process.

Background

2007/08 represents the third ALE assessment for the Trust. Although the ALE framework is subject to an annual review to ensure that it fully reflects developments within the health sector, this year amendments have been kept to a minimum. During the lifetime of ALE, there has been a gradual toughening of descriptors in order to stimulate continual improvement within Trusts.

1.2 Main conclusions

The Trust's scores for the five themes covered by this review are set out below in Table 2.

Table 2 - 2007/08 ALE Scores

Theme	2007/08 Published Score	2006/07 Published Score	Commentary
Financial Reporting	2	2	Maintained
Financial Management	2	2	Maintained
Financial Standing	1	1	Maintained
Internal Control	2	2	Maintained
Value for Money	2	2	Maintained
Overall Score	1	1	Maintained

The Trust's arrangements for financial reporting, financial management, internal control and value for money are adequate and the scores for these themes have been maintained over the past two years.

However, in the financial reporting theme, the Trust scored Level 1 for KLOE 1.1, a reduction in score from the previous year as a result of failure to submit its accounts to the Department of Health by the deadline of 1 May.

We are pleased to report that the Trust increased its score for KLOE 1.2 from 2 to 3, as the annual report contained only a few minor errors. Also, a thorough consultation process was undertaken by the Trust that evaluated how the content of the report could be improved.

The Audit Commission determines one overall score. To reach level 3 overall, there shall be no score below level 2 and financial management, financial standing and value for money must each score at least 2. Where a Trust scores 1 for financial standing then its overall score will be 1.

The Trust's overall score for 2007/08 will be 1, based upon the rules for overall assessment. To move forward to a level 2 overall next year, the Trust will need to score a Level 2 in financial standing and maintain the scores achieved in each of the other areas.

1.3 Acknowledgements

We would like to record our appreciation for the co-operation and assistance provided to us by staff at the Trust during the course of our assessment.

2 The way forward

ALE for non-foundation trusts from 2008/9

NHS Trusts will continue to be assessed using the ALE key line of enquiry (KLOE) and assurances. ALE forms the 'use of resources' assessment for non-FTs within the Healthcare Commission's 2008/09 annual health check.

As in previous years, the Audit Commission considers that it is important that the assessment framework for Trusts remains broadly consistent with the previous years. This allows comparisons between years to be undertaken and improvements demonstrated. As a result, a key objective when updating and developing the framework for 2008/09 has been to ensure consistency. A limited number of changes have been made for some of the assurances underpinning the KLOE.

Most of the changes are to take account of requirements in the Operating Framework 2008/09 or to reflect more clearly Monitor's financial risk ratings. The Audit Commission believes that the inclusion of assurances relating to the risk ratings will help trusts in their preparations for FT status. They have also consulted on the framework much earlier this year than in previous years. For further information, see the Audit Commission's website at <http://www.audit-commission.gov.uk>

3 Financial Reporting

Summary

The financial reporting assessment is a measure of the quality of the organisation's financial accounting and reporting arrangements. NHS bodies have a statutory duty to submit audited annual accounts and to issue an annual report on the financial performance and a range of other indicators, as set out in the NHS Manual for Accounts.

Financial reporting is an area in which NHS trusts and PCTs perform relatively consistently. In 2006/07, the majority of bodies scored level 3 for this overall theme, with less than 5% scoring level 4. The main areas for improvement were the timeliness of the accounts and the annual report, and the quality of the working papers.

The Trust's scores for financial reporting are set out in the table below.

Table 3 - 2007/8 financial reporting scores

KLOE	Area	2007/08 Published Score	2006/07 Published Score
1.1	The organisation produces annual accounts in accordance with relevant standards and timetables, supported by comprehensive working papers	1	2
1.2	The organisation promotes external accountability	3	2
	Overall Score	2	2

KLOE 1.1: production of the annual accounts

This key line of enquiry requires that:

- The Trust's accounts were prepared, approved and submitted in accordance with statutory requirements;
- The accounts presented for audit were free from material errors and misstatements;
- A complete set of working papers supporting all of the financial statements, disclosures and notes was available at the start of the audit; and
- The auditor gave an unqualified 'true and fair' accounts opinion.

The Trust scored Level 1 as it failed to submit its accounts to the Department of Health by the deadline of 1 May. The accounts presented for audit were not free from material misstatements as there were errors totalling £1.4m in the draft accounts. We provided an unqualified audit opinion on the financial statements and the working papers were of an adequate standard.

In order to improve its score, the Trust should ensure that:

- there are adequate arrangements in place to enable the accounts to be submitted on time; and
- the draft accounts presented for audit are free from material misstatements.

KLOE 1.2: external accountability

This key line of enquiry requires that:

- the annual report is produced in line with statutory requirements

- key reports are made available to the public in appropriate formats and contain information which is understandable by members of the public;
- A process of consultation has been carried out with a wide range of stakeholders
- The financial content of the annual report contains an explanation of key financial information and technical terms that are understandable by members of the public.

The Trust has improved its performance in this KLOE, achieving Level 3 this year.

The annual report contained only a few minor errors and was provided in accordance with the timetable we agreed with the Trust. The Trust has undertaken consultation with over 60 PCT's on improvements to the annual report. The financial content of the report, including the operating and financial review, contained financial information that should be understandable by members of the public.

4 Financial management

Summary

In 2006/07, the overall level of financial management within the NHS improved compared with the previous year and 91% of Trusts achieved at least the minimum standards for this theme.

The most common areas for improvement were the links between the medium term financial strategy and an organisation's strategic objectives together with a lack of robustness of medium term financial plans and projections.

The Trust's scores for financial management are set out in the Table below:

Table 4 - 2007/8 financial management scores

KLOE	Area	2007/08 Published Score	2006/07 Published Score
2.1	The organisation's medium-term financial strategy/plan, budgets and capital programme are soundly based and designed to deliver its strategic priorities	2	2
2.2	The organisation manages performance against budgets	2	2
2.3	The organisation manages its asset base	1	2
	Overall Score	2	2

KLOE 2.1: medium-term financial strategy

This key line of enquiry requires that:

- there is a medium-term financial strategy linked to the Trust's key strategic objectives;
- the corporate business plan setting out the Trust's aims and objectives is linked to the Trust's financial planning and financial management processes;
- budgets and the capital programme are based on robust medium-term financial projections and risk assessments; and
- any savings are identified and supported by plans which are discussed and consulted on with key partners within the local health economy.

The Trust has a medium term financial strategy linked into key strategic objectives that reflects actions identified from financial modeling undertaken as part of the trust development programme. Business and service planning is integrated with financial planning and there is evidence that key staff, both operational and finance, are involved in the strategic decision making processes. The Trust regularly reviews its financial management arrangements and a recovery plan has been agreed with the Strategic Health Authority.

At the beginning of the year, £1.7m of the £7.3m planned savings remained unidentified. Auditor discretion was used to pass this criterion on the basis that the level of unidentified savings was smaller than the planned surplus. However, the level of unidentified savings prevented the achievement of Level 3 for this KLOE.

The Trust should identify realistic, robust savings plans. Savings should be identified early in the year to enable the Trust to achieve the plan and address its financial position. Progress against savings plans should be monitored throughout the year and action plans implemented to address any gaps identified.

KLOE 2.2: managing performance against budgets

This key line of enquiry requires that:

- there are arrangements in place for monitoring the Trust's financial performance against its budget - and for taking corrective action where appropriate;
- senior officers and the Board receive regular budget monitoring information;
- the financial performance of partnerships is regularly reviewed; and
- progress in achieving planned savings is regularly reported and monitored.

The Trust scored level 2 for this KLOE, as in the previous year.

Budgets are profiled into the main accounting system in an appropriate level of detail and the budgets are delegated to managers who have an appropriate level of control over the budget process. There is evidence that action plans are developed and implemented when a material variance is identified, and there is also an appropriate level of training on financial issues for non executive directors and other non financial senior staff. The Board receives regular updates on the financial position that includes detail on revenue account items and balance sheet items, in addition to information on non-financial targets.

The Trust is achieving some of the level 3 criteria, such as quality of information received by the Board and the quality of the budget monitoring process. However, to achieve level 3 the Trust will need to ensure that all level 3 processes are embedded within the organisation. In particular the Trust should demonstrate that:

- reviews of financial partnerships are shared with partners and acted upon;

- the objective setting process is robust and embedded across all senior managers within the Trust; and
- accurate financial monitoring reports are produced for all budget holders within ten working days of the month end.

KLOE 2.3: asset management

This key line of enquiry requires that:

- there is an estate strategy linked to the Trust's Medium Term Financial Strategy;
- there is an up to date asset register; and
- the Trust reports to the Board on asset management.

The Trust maintains an up to date asset register and has processes in place for the approval and monitoring of capital projects.

However, the Trust's score has decreased to Level 1 this year on the basis that the requirements of the Local Delivery Plan have not been considered within the estates strategy and there is no detail within the strategy as to whether or not the Trust is providing an inclusive environment.

5 Financial Standing

Summary

This theme focuses on how the Trust manages its spending within the available resources. Assessments are largely based on the achievement of break even and statutory financial targets. This assessment also looks at the track record of the Trust and performance in previous years.

This theme shows the greatest spread of scores. In 2006/07, 100 NHS bodies failed to achieve minimum standards against financial standing criteria (42 PCTs and 58 NHS Trusts).

The Trust's scores for financial standing are set out in the Table below:

Table 5 - 2007/8 financial standing scores

KLOE	Area	2007/08 Published Score	2006/07 Published Score
3.1	The Trust manages its spending within the available resources	1	1
	Overall Score	1	1

The key lines of inquiry requires that:

- The trust has achieved break-even in the year.
- The Trust has met its capital resource limit for the year
- The Board has provided confirmation that the accounts have been prepared on a going concern basis.
- The trust has achieved its statutory break-even duty or has delivered the recovery plan for 2007/08 (including loan repayments) agreed by the SHA

- The trust is projecting that it will break-even in 2008/09.

The Trust has achieved break even in year, met its Capital Resources limit and the Board has also provided assurance that the accounts have been prepared on a going concern basis.

However the Trust did not meet its recovery plan for the year. In addition, the Trust has not achieved its statutory break even duty and is forecasting a small surplus for 2008/09 which will not enable it to achieve its statutory breakeven duty in 2008/09.

To meet Level 2 requirements, the Trust will need to ensure that it meets its agreed recovery plan for 2008/09.

6 Internal Control

Summary

Internal control is a theme in which NHS bodies generally perform well and, in 2006/07, 96% met at least the minimum standards. Whilst the percentage of organisations with inadequate arrangements remained unchanged, there was an overall improvement in internal control, with 38% of NHS bodies scoring '3' for internal control in 2006/07. The effectiveness of audit committees and risk management arrangements, particularly in relation to partnerships, were the most common areas for improvement in 2006/07.

The Trust's scores for internal control are set out in the Table below:

Table 6 - 2007/08 internal control scores

KLOE	Area	2007/08 Published Score	2006/07 Published Score
4.1	The Trust manages its significant business risks	2	2
4.2	The Trust has arrangements in place to maintain a sound system of internal control	2	2
4.3	The Trust has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business	2	2
	Overall Score	2	2

KLOE 4.1: risk management

This key line of enquiry requires that:

- the Trust has an effective assurance framework in place;
- there is an adequate risk management process in place that is reviewed annually;
- risk management is embedded in the Trust's corporate business processes; and
- staff and non executive directors have received risk management training.

The Trust has scored Level 2 for this KLOE, as in the previous year.

The assurance framework and risk management processes are in place and reviewed annually. Risk management is becoming more embedded into the Trust's processes and there is evidence that training has been provided for the Board and for senior management. The Trust clearly meets Level 2 requirements and some of the requirements of Level 3 but the assurance framework is not fully embedded into the Trust's business processes, preventing achievement of level 3.

Partnerships are not explicitly included in the assurance framework, although on a practical level the Trust does manage risks around partnerships in areas such as contractual arrangements. There is evidence that the Trust now has a joint academic strategy and joint financial plans with the Institute of Orthopaedics and, as these organisations are increasingly working together, business processes are becoming more embedded.

To achieve Level 3, the Trust will need to demonstrate that the assurance framework is fully embedded in the Trust's business processes, and that clear improvements have arisen as a result

KLOE 4.2: internal control

This key line of enquiry requires that:

- the Trust reviews its system of internal control and reports on this;
- there is an adequate audit committee and internal audit function in operation; and
- the Trust's partnership arrangements are regularly reviewed.

The Trust has scored level 2 for this KLOE, as in the previous year.

There is an audit committee in place and this has been strengthened during the year. The Trust has adequate procedures in operation for reviewing and reporting on the system of internal control and the Trust is open about areas where controls could be improved upon, as documented in the Statement on Internal Control. The Trust has standing financial instructions, standing orders and a scheme of delegation in place and regularly tests its financial systems via Internal Audit to ensure that its processes are well controlled. The Trust's internal audit function meets the requirements of NHS internal audit standards. The Trust is unable to demonstrate that its business continuity plan covers all areas of the Trust activities.

There were a number of areas where the Trust did not meet Level 3 requirements, and to achieve Level 3 the Trust should ensure that:

- the business continuity plan covers all areas of the Trust's activities;
- standing orders and standing financial instructions are reviewed on an annual basis; and

- partnerships are reviewed and monitored by senior management and the Board to ensure that they are operating in accordance with the partnership agreement and meeting their objectives.

KLOE 4.3: probity and propriety in the conduct of business

This key line of enquiry requires that:

- there are codes of conduct in place and that the Trust has arrangements to monitor compliance with these;
- there is a counter fraud policy that is subject to regular review and is clearly communicated throughout the Trust;
- the Trust has provided the required data for NFI matches; and
- there is an accredited Local Counter Fraud Services (LCFS) function that reports to the Audit Committee.

The Trust has scored level 2 for this KLOE, as in the previous year.

There are codes of conduct in place for all staff and all Board members having signed up to the code. The Trust has a counter fraud policy that is reviewed regularly and communicated to all staff throughout the Trust. The Trust has provided the required data for NFI, has notified subjects of this use of data, and has established a process to follow-up NFI data matches, ensuring that these are investigated promptly.

To improve further the Trust would need to provide evidence that:

- the Trust has adopted the Nolan principles of standards in public life, that the Trust has communicated to staff and directors what these are and that there is a process in place to monitor compliance with the Code; and
- staff are trained on counter fraud procedures and specifically in relation to whistleblowing procedures. This training should feature in the corporate training programme.

7 Value for Money

Summary

In 2006/07, the majority of NHS bodies were assessed as having satisfactory arrangements in place, although 10% did not meet the minimum requirements.

The most common area that required improvement was the need for NHS bodies to demonstrate that planned efficiency savings were actually being delivered in practice. The Audit Commission also found that many organisations needed to have a clear and realistic longer-term plan in place to improve economy and efficiency.

The Trust's scores for value for money are set out in the Table below.

Table 7: 2007/08 Value for money scores

KLOE	Area	2007/08 Published Score	2006/07 Published Score
5.1	The Trust has put in place proper arrangements for securing strategic and operational objectives	2	2
5.2	The Trust has put in place proper arrangements to ensure that services meet the needs of patients and taxpayers, and for engaging with the wider community	2	2
5.3	The Trust has put in place proper arrangements for monitoring and reviewing performance, including arrangements to ensure data quality	2	2
5.4	The Trust has established	2	2

KLOE	Area	2007/08 Published Score	2006/07 Published Score
	arrangements for managing its financial and other resources which demonstrate value for money is being managed and achieved		
	Overall Score	2	2

KLOE 5.1: strategic and operational objectives

This key line of enquiry requires Trusts to have put in a place clear arrangements for setting, reviewing and implementing their strategic and operational objectives.

The Trust has scored a Level 2 in this area, as in the previous year.

The Trust has an annual business plan which set out its priorities for the year and these include national and local priorities. The business plan includes sections on national priorities such as meeting 18 week access targets and also detail on individual service plans. The national and local priorities were used by the Board to agree the 2007/08 top ten performance targets and these are monitored by the Board on a monthly basis, and also link into Director objectives. However, the Trust does not have a documented process for agreeing and setting business objectives that includes all part of the Trust, and whilst the Trust is making good progress on some of its local targets the Healthcare Commission has identified that improvement could be made in respect of quality, judging the Trust as 'fair' for 2006/07.

The Trust has an Information Management and Technology Strategy which includes detail on the operating requirements to ensure that services continue to improve.

The key issues that would need to be addressed to enable the Trust to achieve Level 3 are as follows:

- The Trust should look to develop further a documented process for setting and agreeing business objectives that includes all parts of the organisation;
- Whilst the Trust is making good progress against some of its local targets, overall the Healthcare Commission has not identified strong improvement over the course of the last few years. In 2005/06 and 2006/07 scores were classed as 'fair' for quality of services and 'weak' for Use of Resources. The Trust will need to demonstrate improvement in these areas to satisfy the criterion of 'making good progress in achieving its operational and strategic plans'.

KLOE 5.2: meeting patients' needs and community engagement

This key line of enquiry requires that Trusts have put in place:

- channels of communication with patients and their representatives, other stakeholders and partners; and
- monitoring arrangements to ensure that key messages about services are taken into account.

The Trust has achieved a Level 2 for this KLOE, as in the previous year.

The Trust has an approved strategy for improving the way it liaises with different groups which was updated in 2008. The strategy includes an action point on development and delivery to hard to reach groups and the Trust has provided some where correspondence has taken place with patients in geographically difficult areas.

However, the Trust has not clearly and specifically identified groups it considers to be hard to reach.

In order to progress, the Trust should consider whether it can demonstrate:

- effective implementation of a communications strategy and that this is embedded within the operations of the Trust; and

- that feedback is used in determining future service provision.

KLOE 5.3: monitoring and reviewing performance, including data quality

This key line of enquiry requires Trusts to have put in place adequate arrangements for:

- the monitoring and scrutinising of performance to identify potential variances against strategic objectives, standards and targets, for taking action where necessary, and reporting these to the Board; and
- monitoring the quality of their performance information and reporting the results to Board members.

The Trust has achieved a Level 2 for this KLOE, as in the previous year.

There are adequate arrangements in place at the Trust for monitoring and reviewing performance, including arrangements over data quality. We are pleased to note that the Trust received a very positive report from the Audit Commission Payment by Results assurance review of clinical coding.

There are training notes and guides in place for Data Quality, however the Trust needs to ensure that this training has been targeted and provided to the most relevant staff members. Internal performance reporting arrangements are robust, with clear regular reporting against the Trust's top 10 targets.

However, the link between individual measures and targets and strategic objectives is implicit, and not all longer-term strategic objectives appear to be paired with measurable outcomes at this stage.

KLOE 5.4: managing and improving value for money

This key line of enquiry requires Trusts to have put into place adequate systems for managing and improving value for money.

The Trust has achieved a Level 2 for this KLOE, as in the previous year.

The Board has a framework for achieving organisational efficiency that is integrated into its strategic plan and the Trust has set annual objectives to drive improvement in the performance of its corporate and back office functions. The Trust has undertaken a programme of reviews looking at efficiency in the delivery of clinical services, an example being the systematic approach to the care of people with long-term conditions.

The efficiency and productivity metrics are monitored via monthly Directorate performance reviews reporting into the Executive Team and the Finance and Performance Trust Board Sub Committee. Benchmarking information against other specialist Trusts is reviewed at Directorate Performance review meetings, and the Trust has produced basic service line reporting information on income and expenditure. The Strategic Health Authority has engaged consultants to support Trusts across London in implementing service line reporting.

The key issues that prevented the Trust achieving Level 3 are that it was not able to demonstrate:

- annual cash releasing improvements and efficiency gains in line with agreed plans;
- measurable improvements to the way care is being delivered as a result of the work on clinical service improvement; and
- that reviews of reference cost data or service line reporting have led to specific improvements.

A Action plan

Ref	Recommendation	Priority	Management response	Responsibility	Timescale
1.1	The Trust should ensure there are adequate arrangements in place to enable the accounts to be submitted within the required timescale.	High	Agreed. A finance department restructuring, with additional resources has been completed in July 2008. A Final Accounts planning group is meeting regularly from September to year end	Head of Finance	September 2008 – April 2009
1.1	The Trust should ensure that the draft accounts presented for audit are free from material misstatements.	High	Agreed	Head of Finance	April 2009
2.1	The Trust should identify realistic, robust savings plans. Savings should be identified early in the year to enable the Trust to achieve the plan and address its financial position.	High	Agreed	Finance Director	In place 2008/09
2.1	Progress against savings plans should be monitored throughout the year and action plans put in place to address any shortfall or identified gaps.	High	Agreed	Finance Director and Head of Finance	In place 2008/09
2.2	The Trust should provide evidence to demonstrate how the findings from reviews of financial partnerships are shared with partners and acted upon.	Low	Agreed	Finance Director	January 2009
2.2	The Trust should provide evidence that the objective setting process is robust and embedded across all senior managers within the Trust.	Low	Agreed	Director of HR and Corporate Affairs	January 2009

Ref	Recommendation	Priority	Management response	Responsibility	Timescale
2.2	The Trust should provide financial monitoring reports to all budget holders within ten working days of the month end.	Low	Agreed – now in place	Head of Finance	In place 2008/09
2.3	The Trust should ensure that the estates strategy reflects the requirements of the Local Delivery Plan.	High	Agreed – now included	Director of Estates & Facilities	June 2008
2.3	The estates strategy should include an assessment of whether the Trust is providing an inclusive environment, identifying improvements where appropriate.	High	Agreed – now included	Director of Estates & Facilities	June 2008
3.1	The Trust should ensure that appropriate arrangements are in place to enable delivery of the recovery plan for 2008/09.	High	Agreed – now in place	Finance Director	In place for 2008/09
4.1	The Trust will need to demonstrate that the assurance framework is fully embedded in the Trust's business processes, supported by an audit trail to show that improvements have arisen as a result.	Medium	Agreed	Director of HR and Corporate Affairs	January 2009
4.2	The Trust should ensure that the business continuity plan covers all areas of the Trust's activities	Medium	Agreed – progress will be made in some but not all areas during 2008/09	Finance Director	On going from 2008/09
4.2	The Trust should ensure that standing orders and standing financial instructions are reviewed annually.	Medium	Agreed – in place	Finance Director	In place
4.2	The Trust should ensure that partnerships are reviewed and monitored by senior management. Evidence should be provided to ensure the partnerships are operating in accordance with the partnership agreement and their objectives.	Medium	Agreed	Finance Director	January 2009

Ref	Recommendation	Priority	Management response	Responsibility	Timescale
4.3	The Trust should demonstrate that it has adopted the Nolan principles of standards in public life.	Low	Agreed	Director of HR and Corporate Affairs	January 2009
4.3	The Trust should provide evidence that staff have received training on counter fraud procedures. This should include training on the whistleblowing procedure.	Medium	Agreed	Director of HR and Corporate Affairs	January 2009
5.1	The Trust should look to develop further a documented process for setting and agreeing business objectives that includes all parts of the organisation.	Medium	Agreed	Finance Director	January 2009
5.1	The Trust will need to demonstrate improvement in Healthcare Commission ratings to satisfy the criteria of 'making good progress in achieving its operational and strategic plans'.	Medium	Agreed	Chief Executive	On-going from 2008/09
5.2	The Trust should demonstrate that the implementation of the communications strategy has been effective and is embedded within the operations of the Trust.	Low	Agreed	Director of HR and Corporate Affairs	January 2009
5.2	The Trust should provide further evidence that feedback is used in determining future service provision.	Medium	Agreed	Director of Nursing	January 2009
5.3	The Trust should provide further evidence to demonstrate that data quality training is targeted at the most relevant people.	Medium	Agreed	Director of IMT	January 2009
5.4	The Trust should provide evidence to show that annual cash releasing improvements and efficiency gains are in line with agreed plans.	Medium	Agreed - In place for 2008/09 financial plan	Head of Finance	In place from 2008/09 plan
5.4	The Trust should provide evidence to demonstrate measurable improvements to the way care is being delivered as a result of the work on clinical service improvement.	Low	Agreed	Director of Operations & Service Improvement	January 2009

Ref	Recommendation	Priority	Management response	Responsibility	Timescale
5.4	The Trust should demonstrate that reviews of reference cost data or service line reporting have led to specific improvements.	Medium	Agreed	Head of Finance	January 2009



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