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# *Royal Free London NHS Foundation Trust*

Annual Audit Letter

*Year ended 31 March 2018*

Government &  
Public Sector

June 2018





**The Council of Governors**  
Royal Free London NHS  
Foundation Trust  
Pond Street  
London  
NW3 2QG

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 Royal Free London NHS Foundation Trust.

Yours faithfully

PricewaterhouseCoopers LLP

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# 1. Introduction

## *The purpose of this document*

This letter provides the Council of Governors of Royal Free London 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 November 2017.

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## 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 25 May 2018 with the inclusion of a material uncertainty in relation to going concern paragraph. The Directors included additional disclosures within the Annual Report and within the accounting policies note to the financial statements in respect of going concern. We included in our audit report a material uncertainty paragraph which draws the readers' attention to the disclosures in the financial statements. Note – such a paragraph is not a qualification of the audit opinion.

We have identified details of misstatements for reporting to the Audit Committee as part of our audit and these are set out in Appendix 1 of this report. We also raised a number of control recommendations, which are summarised in Appendix 3.

### *Value for Money*

Under the Code of Audit Practice, we must satisfy ourselves, by examination of the financial statements and otherwise, that you have made proper arrangements for securing economy, efficiency and effectiveness in your 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 conclusion on 25 May 2018 in respect of Value for Money for the following reasons:

- The Trust are in breach of their licence and under enforcement notice for financial performance reasons. At the time of signing our audit opinion this enforcement notice was still in place.
- The Trust reported a deficit of £24.6m in 2017/18 which included the recognition of the sale of Parcel B for £47.6m and the receipt of STF funding which totalled £22.5m.
- As noted in Board papers, the Trust needs to achieve £45.5m of savings in 2018/19 to achieve its plan. Based on our review of Trust Board papers, £44.2m of cost savings were achieved in 2017/18. It is also noted from a review of the Trust Board papers that the Trust's reference costs are below 100. This compares favourably to other peer trusts as shown on the NHS Improvement reference costs index - <https://improvement.nhs.uk/resources/reference-costs/>.
- The Trust have a significant underlying deficit, albeit have made steady progress to reduce this in 2017/18 with the financial plans for 2018/19 showing it to decrease further. The Trust is currently in year one of a four year financial improvement plan and have made progress against this plan.
- In 2017/18 the Trust have drawn down £43m against their agreed loan facilities with the Department of Health. The cash position in 2018/19 will be reliant on further loans from the Department of Health which the Trust believe will need to be in the region of £57m. The Trust's cash forecast shows that it will need to draw down from the DH working capital facility in 2018/19 to meet creditor payments. The Trust is forecast to hold approximately £117m in total borrowings at the end of 2018/19.

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 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 found no areas of concern to report in this context.

## 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”.

We have issued an unqualified limited assurance report in respect of the content and consistency (defined by NHSI’s “Detailed requirements for quality reports 2017/18”) of the quality report.

With regards to our work on the mandated performance indicators, our limited assurance report is qualified as follows:

- We have issued an adverse conclusion in respect of issues identified through sample testing of the percentage of incomplete pathways within 18 weeks for patients on incomplete pathways; and
  - A disclaimer of conclusion has been included within our limited assurance report in respect of issues identified through sample testing of the percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge.
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 findings in respect of the local indicator selected for testing which was the maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers. We identified one difference in the sample we selected for testing.

We identified a number of recommendations as a result of our testing over the quality report indicators. These are shown in Appendix 4.

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# *Appendices*

## Appendix 1: Summary of uncorrected misstatements

We found the following misstatements during the audit that have not been 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	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
	F = factual, J = judgemental, P = projected				
1	Overstatement of accruals (projected) – errors noted in accruals testing. <i>Known misstatement £84,940</i> <i>Projected misstatement, £1,080,620</i>	-	84,940	84,940	-
2	Potential overstatement of income and trade receivables (judgemental) <i>(reflecting largest commissioners debtors of £9.5m less provisions of £7.2m)</i>	2,300,000	-	-	2,300,000
3	Overstatement of provisions (factual) – during our testing we noted that there was insufficient evidence to support provisions for redundancy being reflected in the financial statements.	-	1,077,588	1,077,588	-
<b>Total uncorrected misstatements</b>		<b>2,300,000</b>	<b>1,162,528</b>	<b>1,162,528</b>	<b>2,300,000</b>

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## *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.

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### Key audit matter

### How our audit addressed the Key audit matter

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#### Enforcement Notice

On 23 November 2017 NHS Improvement issued enforcement action to Royal Free due to breaches of the Trust's licence for:

- Financial performance in 2016/17 which included a significant variance against the planned deficit (excluding STF);
- A significant underlying deficit in 2016/17 supported by a plan submitted for 2017/18 with showing a variance of £57m to the control total (being a £33m deficit, excluding STF); and
- The lack of a robust plan to deliver the 2017/18 plan or to address the underlying deficit in the longer term.

We obtained and read the Trust's enforcement notice from the NHS Improvement website.

We confirmed with the Trust that the enforcement notice was still in place at the time of signing our audit opinion.

We obtained and read reports from the Care Quality Commission following inspections they had carried out at the Trust.

At the time of signing our audit opinion the enforcement notice is still in place and has been taken into account in reaching our conclusion.

We consider the results of regulatory inspections and any enforcement action taken by regulators in our assessment of value for money as it impacts our value for money conclusion specifically in regards to 'sustainable resource deployment' as described above.

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#### Deficit position of the Trust

The Trust have reported a deficit of £24.6m in 2017/18. The Trust met its control total in 2017/18, achieving cost savings of £44m as set out in the Board papers, and the financial position

We read Board papers presented during 2017/18 that discuss the financial position and performance of the Trust.

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### ***Key audit matter***

was improved through the recognition of the sale of Parcel B for £47.6m and the receipt of STF funding which totalled £22.5m.

The Trust has submitted its annual plan for 2018/19 which reports a planned deficit of £66m (before impairment). The planned deficit includes costs savings of 4.4% of total operating expenditure.

We consider the financial performance of the Trust in the current year as well as the cumulative performance to establish whether proper arrangements have been put in place regarding 'sustainable resource deployment'.

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### ***How our audit addressed the Key audit matter***

We confirmed the receipt of the cash for the sale of Parcel B and the receipt of STF funding through confirmation from NHS Improvement.

We obtained and read the Trust's annual plan for 2018/19. We understood the control total set for 2018/19 and the savings targets that the Trust needed to achieve, as well as the borrowing requirements, to support the achievement of that total.

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### ***Cash position of the Trust***

In 2017/18 the Trust have drawn down £43m against their agreed loan facilities with the Department of Health and Social Care.

The cash position in 2018/19 will be reliant on further loans from the Department of Health and Social Care which the Trust believe will need to be in the region of £57m. The Trust have mitigation plans in place if cash is needed which include managing the working capital position to a more favourable position for the Trust and the potential disposal of assets.

The Trust's cash forecast shows that it will need to draw down from the Department of Health working capital facility in 2018/19 to meet creditor payments. The Trust is forecast to hold approximately £117m in total borrowings at the end of 2018/19.

We performed an analysis of the cash flow forecasts that the Trust have prepared for 2018/19 to ascertain the borrowing requirements needed to support their working capital position.

We read the going concern paper the Trust produced and considered its accuracy in light of the audit work performed for the 2017/18 financial statements audit.

We read the current loan agreements from the Department of Health and confirmed the receipt of the loans in 2017/18 to cash received and to a central statement from the Department of Health.

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### ***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 (financial statements audit)

Deficiency	Recommendation	Management's response
<p><b>Fixed Asset Register maintenance and barcoding</b></p> <p>We have followed up on the control deficiency / weakness (CD/W) raised in prior year (see below) with the Fixed Assets Accountant, who explained that The Trust have taken up the barcoding suggestion, but the planned implementation is going to be limited to the new hospital (Chase Farm), which is due to become operational in the next financial year. The barcoding system may then be applied in Royal Free if it is successfully implemented in Chase Farm.</p> <p>We have picked a donated asset recorded by Medical Clinic team during our walkthrough and confirmed that the asset was accounted for in the fixed assets register.</p> <p>We note that there may be valid reasons as to why an asset cannot have a barcode attached, such as the sterilisation of assets before being stored in the hospital. The Fixed Asset team is aware of this issue, and will take this into consideration when implementing the barcoding system.</p> <p>As the Trust do not have any compensating control in place to ensure completeness of their fixed asset register, the control weakness is raised again for FY 17/18.</p>	<p>We recommend that management carry out the implementation of barcoding system of Chase Farm Hospital as planned.</p> <p>We recommend that the Fixed Asset team should also carry out sample checks of the assets held at Royal Free Hospital against the fixed asset register on a timely basis.</p>	<p>Agreed this will be investigated with the Medical Electronic Department who have commissioned a new system for Chase Farm (Roy Smith - July 2018)</p> <p>Finance staff will continue to periodically verify assets held on the fixed asset register to those on site via a physical inspection. Due to the number of assets this will be on a sample basis. A programme will be in place to ensure that all material assets are verified every 18 months. (Lubna Dharssi - July 2018)</p>
<p><b>Overpayments to employees leaving the Trust</b></p> <p>During our walkthrough with the payroll team, we have found that there is an issue with regard to overpayments of ex-employees due to late termination forms authorised by line managers. The payroll system could not be updated until an authorised termination form was received, and this led to overpayments to employees after they left the Trust.</p> <p>There is a risk that the Trust are unaware of how much overpayment has been made</p>	<p>We recommend that the Trust enforce a threshold period during which leavers forms need to be authorised.</p> <p>We recommend that the Trust investigate the total amount of overpayment to leavers, with input from SBS, and initiate debt recovery</p>	<p>Agreed. Managers will be reminded to adhere to the Trust deadlines.</p> <p>SBS Payroll now provide a weekly list of all overpayment together with reasons which are analysed by senior Finance and HR managers. In addition this is being</p>

Deficiency	Recommendation	Management's response
<p>since outsourcing the payroll service to SBS, and being unable to recover it, posing a further constrain to the tight level of operating cash flow.</p>	<p>process in line with its normal policy. Timely update and request of issuing invoice against employees being overpaid should be agreed between the Trust and SBS.</p>	<p>reconciled to invoices raised and progress of recovery monitored.  (Lubna Dharssi - June 2018)</p>
<p><b>Supplier invoices recognition</b></p> <p>The engagement team obtained multiple supplier invoices as support for the accruals balances at year-end. These were invoices which Finance had accrued for based on estimates, however, as at 31/03/2018, it was noted that some of these invoices has been received, therefore actuals could have been used.</p> <p>Specifically, there were two invoices which were dated 30/01/2018 and 27/02/2018, which were processed in the AP ledger on 06/02/2018 and 07/03/2018 respectively, however had not yet been matched to purchase orders / delivery.</p> <p>There is a risk that at year-end the accruals balance is higher than it should be and that accounts payable is lower than it should be.</p> <p>There is also a higher risk that invoices will be paid late as it has taken so long for them to be posted to the system.</p>	<p>We recommend that departments are instructed to receipt any goods received in a timely manner, and match invoices to orders, to ensure the appropriate and accurate recording of supplier invoices in the ledger.</p>	<p>As part of the PCOS implementation training on receipting is being refreshed and will be more thorough than previously. In the meantime budget holders will be directly reminded to process goods receipts and any non adherence will be escalated as necessary.</p> <p>As a mitigation AP actively chase end users where accounts are on stop.  (Lubna Dharssi - June 2018)</p>
<p><b>Errors noted in journal postings</b></p> <p>The engagement team have tested a total of 25 journals, for which it was noted several of the journals identified were correction journals, where the original posting was incorrectly posted to the wrong general ledger accounts.</p> <p>Although it most instances these were identified by the management accountants a part of the month end close down process (mitigating control) it has been identified as an inefficiency.</p>	<p>We recommend that users responsible for posting journals are adequately informed on the correct treatment, before making incorrect postings which could go unidentified.</p>	<p>Agreed. Finance will investigate the number of journals to identify the source of errors and agree a plan to correct coding at source. This will be part of the project plan to upgrade the EFIN ledger.  (Mashud Sikdar – September 2018)</p>
<p><b>Aged bank reconciling items</b></p> <p>The engagement team have tested the bank reconciliations for all bank accounts at 31/03/2018.</p>	<p>Finance identify and clear out reconciling items on a timelier basis.</p>	<p>The amount in question is immaterial. Treasury have identified the differences and will be resolving by the end of the quarter.  (Gabriele Orsini - June 2018)</p>

Deficiency	Recommendation	Management's response
<p>It was noted that the reconciling items included aged amounts, dating back to July 2017. Hence, there is risk that the ledger is not accurate. It has been noted that these amounts are not significant, however the control point has been raised for best practice.</p>		
<p><b>Inconsistencies in floor area assumptions</b></p> <p>We noted some minor inconsistencies in respect of the retained estate buildings at Barnet (mortuary and post grad centre) and crèche at Chase Farm. We believe these minor area inconsistencies do not have a material impact on the financial statements. These should be reviewed, checked for current accuracy and shared with the trust valuers (Montagu Evans) going forward.</p> <p>In some instances the sq.m adopted in the valuation are based on prior year information and do not agree to the more accurate area calculations derived from CAD drawings which are now available.</p> <p>Floor area assumptions used by the valuers) are not completely accurate resulting in potentially higher or lower values although this is not expected to be material as buildings have not changed since initial inputs, however the technology available to measure the assets has, which has resulted in minor variations.</p>	<p>Estates review area calculations and measurements on the retained and peripheral buildings at Chase Farm and Barnet in advance of next asset valuation and provide the valuers with updated area calculations.</p>	<p>We note your comments and agree to carry out the review in line with your recommendation in advance of the next asset valuation.</p> <p>(Andrew Panniker – March 2019)</p>

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## Appendix 4: Summary of recommendations (Quality Report)

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### Observation

### Recommendation

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#### Review of the content requirements

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1. A number of the requirements of the FT ARM had not been met within the initial draft of the Quality Report. These included:
  - Wording issues in the statements of assurance from the Board in Part 2 of the Quality Report.
  - Performance information to be completed in the core indicator section within Part 2 and the performance against NHS Improvement's oversight documents in Part 3 of the Quality Report.

The Trust updated for these in the subsequent versions of the Quality Report.

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Ensure the requirements of the FT ARM are communicated to the person responsible for compiling the Quality Report. Ensure the requirements of the FT ARM are reviewed and incorporated into 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.

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

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2. ***Incorrect inclusion in the indicator***

The clock starts when any care professional or service permitted by an English NHS commissioner to make such referrals, refers to a consultant-led service. Inclusion ends following a verified clock stop when first definitive treatment is received. However, for three cases sampled it was noted they did not meet the definition for inclusion in the indicator:

  - One case sampled was for non-consultant led Direct Access services; and
  - For a further two cases sampled the verified clock stop was recorded before the end of the sampled month meaning the pathways should not be included as incomplete.

In light of the issues noted, Management should review the controls in place designed to ensure that only referrals for consultant led service feed in to the indicator and consider revisions as necessary in order to prevent future errors.

This could include increased training of hospital staff. This should reduce the number of pathways requiring corrections through the validation process.

A new logic rollout (Phase 3) to address the issues identified from the Phase 1 and 2 roll-outs.

These two approaches should be adhered to, allowing their implementation to be analysed through future testing of 2018-19 pathways.

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3. ***Incorrect exclusion from the indicator***

The clock starts when any care professional or service permitted by an English NHS commissioner to make such referrals, refers to a consultant-led service. Inclusion ends following a verified clock stop when first definitive treatment is received. However, for one case sampled it was noted they did were incorrectly excluded from the indicator: For one case sampled the pathway was prematurely terminated, and therefore excluded from the indicator, due to changes resulting from the update of the patient records system in August 2017.

In light of the issues noted, Management should review the controls in place designed to ensure that cases are correctly excluded from the indicator and consider revisions as necessary in order to prevent future errors.

This could include increased training of hospital staff. This should reduce the number of pathways requiring corrections through the validation process.

A new logic rollout (Phase 3) to address the issues identified from the Phase 1 and 2 roll-outs.

These two approaches should be adhered to, allowing their implementation to be analysed through future testing of 2018-19 pathways.

4. ***Incorrect inclusion in the indicator outside of our sample***

For one patient we sampled the December 2017 reporting, where the individual was correctly included in the Denominator of the indicator (the case was a breach). We noticed, however, that treatment was received on 31 January 2018. Therefore, it should have been excluded from the January 2018 indicator but was incorrectly included as a breach. This was due to due to changes resulting from the update of the patient records system in August 2017.

As for finding 1.

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

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5. ***Insufficient documentation on Cerner and FirstNet***

From discussions with Management and from our review of individual case records for the majority of cases making up the indicator the Trust's clinical staff enter details directly onto the two relevant systems (Cerner and FirstNet). As such the data on the systems is considered the definitive source of information for the calculation of the indicator. Comparison between two systems only represents valid audit evidence where a controls based approach to obtaining evidence can be adopted. However, given the weaknesses in the control environment outlined in the following paragraphs a control based approach would not provide sufficient evidence. As such, we were unable to obtain the evidence we needed to reach a conclusion on this indicator.

Should the below issues be addressed a controls based approach could be followed. If not Management may wish to consider the retention of evidence external to the systems to support the arrival and admission / transfer / discharge times.

6. ***Non-adherence to national guidance for clock starts for ambulance arrivals at Royal Free Hospital***

Until 27 November 2018 the Royal Free Hospital did not record any information with regards to ambulance arrival times and the clock start always occurred at the point of registration irrespective of whether the patient was a walk in or an ambulance arrival. This was inconsistent with the approach at Barnet and Chase Farm Hospitals. At the

This should be addressed by the new practices adopted by Royal Free Hospital.

latter, clock starts occurred at handover or 15 minutes after arrival, which is in line with the national guidance.

7. ***Non-adherence to national guidance for recording registration times for non-ambulance cases***

In 2017/18 the original start and end of registration times recorded in Cerner previously have been replaced by a single registration time. The Trust confirmed that this represents the end of registration. In line with our guidance from 2016/17 the Trust should use the start of registration as such there are likely to be additional breaches caused by cases which are currently recorded as near the 4 hour mark (3h50m or more) in line with our prior year findings. As the start of registration is no longer recorded we cannot restate these figures.

The Trust should clarify the appropriateness of using the manually input arrival date and time field with the Department of Health and ensure that future reporting appropriately reflects the guidance received.

The Trust should aim to use the automated 'visit' field as the standard clock start time, only adding a manual override in circumstances such as delayed ambulance handover or urgent triage being performed in advance of patient registration at reception.

8. ***Differences in the number of attendances per Cerner versus the indicator definition***

The indicator should be presented as the arithmetic average of the four quarterly outturns for the period. However, through testing performed, it was found that the attendance records on Cerner cannot be directly reconciled to the Trust's calculated indicator as this is computed the Trust's breaches database. The breaches database holds aggregate attendance figures but does not have individual case details. It was noted that our indicator numerator was 3,701 lower than the Trust's total, and the denominator was 2,648 lower than the Trust's total which is primarily as a result of the inclusion of planned attendances that should be excluded from the indicator. Currently there is no mechanism of distinguishing between the types of attendances on the breaches database to enable direct reconciliation between the two.

Management should ensure that the number of attendances per Cerner can be directly reconciled to the amounts held in the breaches database. In order to do this management should consider if there is a mechanism to distinguish between planned and unplanned attendance numbers logged in the breaches database.

9. ***Failure to correctly record the clock start or stop times***

For 1/15 of the initial samples the clock start per Cerner was not the earlier of patient handover time or after 15 minutes of arrival time per the national guidance (it was 21 minutes later). For 1/15 of the supplementary sample there was no check out time recorded on Cerner. Check out time was 00:02 per the CAS card, whereas the Cerner-based listing recorded a clock stop 22:45. This changed the status of this case from non-breach to breach.

Management should reinforce the need to update records on Cerner to ensure data is correct and that the data entered reflects national guidance.

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

10. ***Patient's sent for treatment at UCLH have an incorrect clock stop date on Infoflex***

For three out of 15 cases reviewed the patient was sent for treatment at UCLH the original Infoflex clock stop date was not updated for the final agreed date of first

In discussion with Management it has been noted that for FY19 more patients who have had cross-Trust pathways will have clock stops validated with the second Trust. Together this control and the reconciliation ensure that cross-Trust

definitive treatment as defined by UCLH. Although the Infoflex clock stop date was not up-to-date per the explanations in testing template, the explanations also confirmed justifiable reasons why different clock stop dates were provided on OpenExeter by UCLH.

Because these pathways concluded at a Trust outside Royal Free, the OpenExeter submission made by that Trust (UCLH) will supersede Royal Free's clock stop. As such no incorrect clock stop has been included in national reporting for the indicator despite the disparity on Royal Free's Infoflex system

OpenExeter discrepancies with Infoflex records are identified and validated in a timely manner.

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11. ***Infoflex/Cerner Reconciliation Issue***

A reconciliation is performed from Infoflex to CERNER (EPR)/patient notes twice weekly by the Cancer validation team. Access databases queries are run to identify any cases for which the relevant fields are not identical in both Infoflex and CERNER based on NHS number. This usually occurs when a patient DNA and the Cerner clock stop date needs to be updated as a result. Such cases are chased up by the team for confirmation by consultants. Orin Stephens confirmed that these reconciliations are performed twice weekly but are not retained after reconciling items are resolved. This represents a control design weakness, as it is not possible to prove that prior reconciliations were conducted.

This issue was also flagged in the prior year, although changes have not been made in the intervening period due to misunderstanding the nature of the weakness.

In discussion with Management it was agreed that this control will be documented going forward, although it may be documented on a less frequent basis than twice weekly due to the constant monitoring of pathways via alternative mitigating controls (see 'Processes and Controls' tab, final box). These mitigating controls increase the likelihood that any Infoflex/Cerner interface discrepancy would be identified.

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12. ***Infoflex/Open Exeter Reconciliation Issue***

There is also an Open Exeter to Infoflex reconciliation performed by the Senior Information Analyst, which corrects any anomalies caused by submissions by other Trusts not matching in clock start or stop dates (split-pathway patients between Trusts). Examples of these anomalies can be seen in the three differences, as they predate the control (introduced early 2018).

The March 2018 reconciliation was inspected on Microsoft Access, confirming that under 10 differences were returned. The Trust confirmed that these had been investigated. However, the 3/15 differences seen during sample indicate that there are still discrepancies between Open Exeter and the local Infoflex system which are not being investigated.

In discussion with Management it has been noted that for FY19 more patients who have had cross-Trust pathways will have clock stops validated with the second Trust. Together this control and the reconciliation ensure that cross-Trust OpenExeter discrepancies with Infoflex records are identified and validated in a timely manner.





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.

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