

NHS quality accounts 2010/11

Providing external assurance: Findings from
auditors' work at NHS trusts and foundation trusts

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Summary

This briefing summarises the findings from the Audit Commission’s appointed auditors’ reviews of quality accounts at 91 NHS acute and mental health trusts, including the Isle of Wight Primary Care Trust (PCT). It also summarises the Audit Commission’s Audit Practice reviews of quality reports at 52 (out of 136) foundation trusts (FTs). It aims to help providers improve their quality accounts and support auditors in reviewing the arrangements that underpin their production. We have included a series of case studies that are relevant to both sectors.

1 Quality accounts are the annual reports to the public from providers of NHS healthcare about the quality of the services they deliver. The primary purpose of quality accounts is to encourage boards of healthcare organisations to report on the quality of the healthcare services they offer. The Health Act 2009 requires all providers of NHS healthcare services (excluding primary care and community services) to provide a quality account from April 2010.

2 For NHS trusts, 2010/11 was a ‘dry run’ exercise as auditors were not required to give an opinion on the quality account. For FTs, however, auditors were, for the first time, required to give a limited assurance opinion on the content of the quality account, but not the performance indicators. The aim is for the two assurance regimes to align fully in 2011/12.

3 Overall, we found a positive picture of good and improving performance. NHS trusts and FTs are producing quality accounts in accordance with the relevant guidance and the data is of sufficient quality. NHS trusts have made a strong start in their first year. FTs have addressed many of the areas for improvement we identified last year.

4 However, some issues remain and these are broadly consistent across both NHS trusts and FTs. In particular, the need to embed producing quality accounts into trusts' wider quality improvement agendas, rather than treating them as a standalone exercise. They should also engage more fully and effectively with stakeholders, including patients, staff, commissioners, local improvement networks (LINKs) and overview and scrutiny committees.

5 The key findings for NHS trusts were:

- ninety-six per cent of trusts had acceptable arrangements in place to assure themselves that their quality account was fairly stated and 95 per cent complied with Department of Health (DH) requirements;
- the biggest arrangement issues were that nearly half of NHS trusts didn't provide their auditor with a Statement of Directors' Responsibilities (which was a late requirement introduced by DH) and many trusts failed to involve external stakeholders earlier in the production process;
- few data quality issues were found with the performance indicator testing on Methicillin-resistant *Staphylococcus aureus* (MRSA) and *Clostridium difficile* at acute trusts, but auditors identified problems with 62 day cancer wait data;ⁱ
- mental health trusts' data quality was less good than that of acute trusts, with issues being found with a third of the indicators tested; and
- the DH did not mandate performance indicators for NHS trusts and this led to some variation in the indicators trusts chose. This is significant for the comparability of quality accounts and the future alignment of the external assurance regimes.

6 The key findings for the 52 FTs we audited were:

- unqualified, limited assurance opinions were issued on all FT quality reports;ⁱⁱ
- FTs prepared their quality reports in line with *Monitor's Annual Reporting Manual*;
- quality reports were consistent with other sources of information; and
- no significant issues were found with the performance indicator testing, although information governance was one of the most significant areas for improvement.

ⁱ The Audit Commission's guidance to auditors of NHS trust quality accounts stated that, where possible, they should test two of the indicators that Monitor specified for auditors of FTs to review as part of their work on the 2010/11 quality report (MRSA, *Clostridium difficile* and 62 day cancer wait data).

ⁱⁱ In this context, a limited assurance report means that nothing has come to the attention of the auditor that leads them to believe that the content of the quality report has not been prepared in line with the requirements set out in the *Annual Reporting Manual*.

7 NHS trusts are effectively a year behind FTs and so their capabilities will naturally be less developed. However, trusts from both sectors should consider the points raised in this report about how they can improve their processes in producing quality accounts. DH will also want to note the readiness of NHS trusts to move on to limited assurance regime, like FTs, and that it too can help through better guidance and ensuring comparability of quality accounts and assurance regimes.

Main report

Introduction

8 This briefing summarises the findings from the Audit Commission's appointed auditors' reviews of quality accounts at 91 NHS acute and mental health trusts, including the Isle of Wight PCT. It also summarises the Audit Commission's Audit Practice reviews of quality reports at 52 (out of 136) FTs in summer 2011. It aims to help trusts improve their quality accounts and support auditors in reviewing the arrangements that underpin their production. To do this, we have included some cases studies, relevant to both sectors.

9 Because there are some important differences in the assurance regimes for NHS trust quality accounts and FT quality reports, we have decided to report the findings for each sector separately, although both sectors can learn from each other.

10 DH says, 'Quality accounts are the annual reports to the public from providers of NHS healthcare about the quality of the services they deliver. The primary purpose of quality accounts is to encourage boards and leaders of healthcare organisations to report on quality across all the healthcare services they offer.' (Ref. 1)

11 The Health Act 2009 requires all providers of NHS healthcare services (excluding primary care and community services) to provide a quality account from April 2010. *Monitor's Annual Reporting Manual* requires FTs to include a report on the quality of care they provide within their annual report – the quality report – that incorporates DH's requirements for quality accounts. Quality accounts should be published on the NHS Choices website.

12 In 2010/11, quality accounts had to include:

- a statement from the board summarising the quality of NHS services provided;
- the organisation's priorities for quality improvement for the coming financial year;
- a series of statements from the board on, for example: performance against Care Quality Commission (CQC) registration standards and participation in national clinical audits; and
- a review of the quality of services in the organisation.

13 Quality accounts are not intended to be marketing documents.

There are several requirements for external scrutiny and challenge, such as:

- providers must include a set of mandatory data quality statements and a self-certification of the accuracy of the information in the quality account;
- CQC and strategic health authorities can ask for errors and omissions in the quality account to be corrected;
- PCTs, LINKs, and overview and scrutiny committees have the right to comment on the quality account; and
- external assurance of the arrangements to prepare the quality account and sample testing of performance indicators.

14 For NHS trusts, 2010/11 was a 'dry run' exercise as auditors were not required to give an opinion on the quality account. For FTs, however, auditors were, for the first time, required by Monitor to give a limited assurance opinion on the content of the quality account, but not the performance indicators. The plan is for the NHS trust and FT quality account assurance regimes to align fully in 2011/12. All community trusts and NHS ambulance trusts were excluded from quality accounts external assurance process in 2010/11.

15 Monitor produced guidance for auditors for the external assurance on quality reports at FTs. It was on this that the Audit Commission based its own guidance for the external assurance on quality accounts at NHS trusts. (Ref. 2) Although the requirements for producing and assuring quality accounts and quality reports are broadly similar, there are some important differences. These are summarised in Table 1 on the next page.

Table 1: **Comparison of NHS trust quality account and FT quality report external assurance requirements**

NHS trusts	Foundation trusts
<ul style="list-style-type: none"> ■ Review the NHS trust’s arrangements for satisfying itself the quality account is fairly stated and in accordance with DH requirements ■ Test two performance indicators included in the quality account. 	<ul style="list-style-type: none"> ■ Review the content of the quality report against Monitor’s requirements, set out in the <i>NHS Foundation Trust Reporting Manual 2010/11</i>. ■ Review the content of the quality report for consistency against other sources of information detailed in Monitor’s guidance. ■ Provide a signed, limited assurance report.ⁱ ■ Undertake substantive sample testing of two mandated performance indicators and one locally selected indicator.

Source: Audit Commission

NHS trusts

Review of arrangements

16 In looking at NHS trusts’ arrangements for the data and information required for the quality account, auditors considered: the governance arrangements; systems and processes for producing the quality account; and quality account reporting.

17 The Audit Commission’s appointed auditors reviewed the quality accounts of all 91 NHS acute and mental health trusts in 2010/11, including the Isle of Wight PCT. Overall, our auditors reported a positive picture. Ninety-six per cent of NHS trusts had acceptable arrangements in place for assuring themselves that their quality account was fairly stated. Ninety-five per cent of quality accounts were prepared in accordance with DH requirements.

18 Some NHS trusts struggled with their governance arrangements and systems and processes for producing their quality account. At 15 trusts, auditors suggested improvements in one or both areas; for example, integrating the quality accounts process with the trust’s wider quality agenda, rather than treating it as a standalone exercise.

ⁱ In this context, a limited assurance report means that nothing has come to the attention of the auditor that leads them to believe that the content of the quality report has not been prepared in line with the requirements set out in the Annual Reporting Manual.

19 Auditors reported that just over half of trusts provided the required Statement of Directors' Responsibilities to them. This requirement was not included in the Quality Accounts Toolkit, published by DH in December 2010, and was not communicated to the NHS until April 2011. (Ref. 3) Consequently, many trusts were either not aware of this requirement or were unable to satisfy it in time for the external assurance. Earlier and complete guidance would be helpful in future years.

20 The most significant finding in relation to the use of the Quality Accounts Toolkit was that many trusts did not engage with their external stakeholders early enough in the process of producing their quality account and did not leave enough time for proper scrutiny at the end of the process. Again, this may have been affected by the date of release of the toolkit, which gave trusts little time to engage with stakeholders.

21 Case study 1 shows how North Staffordshire Combined Healthcare NHS Trust has successfully integrated its quality account production process into its wider governance structures and involved both internal and external stakeholders. .

22 Auditors also identified the need to:

- include all the mandatory elements mentioned in the DH toolkit (for example, some trusts failed to report on their participation in clinical audits, or make clear if they were subject to periodic review by the CQC);
- provide better performance data to put the trust's performance into context; for example, by using time trends or benchmarking performance against peers; and
- provide better information on data quality arrangements and internal control mechanisms; for example, by documenting each area of information that feeds the quality account production process.

Governance arrangements: North Staffordshire Combined Healthcare NHS Trust

The Director of Medicine and Clinical Effectiveness is the lead executive with responsibility for quality. Production of the quality account is the responsibility of the Head of Performance Management.

Clinical staff are involved in producing the content of the quality accounts and the performance management team seek the views of all Trust staff to help improve the quality account through staff surveys.

The Trust routinely reports quality indicators to both executive and board level. Monthly quality performance reports are presented to the Quality and Governance Committee.

Data quality is assured through the Trust's data quality governance structures, with Board directors confirming a statement of compliance with responsibilities in completing the quality account.

Key partners get sight of a suitably complete draft of the quality account in a timely manner. A draft is also reviewed by the Audit Committee as part of the Annual Report. Final approval for the quality account is given by the Trust Board.

Source: North Staffordshire Combined Healthcare NHS Trust and KPMG

Performance indicator testing

23 Auditors were required to test two performance indicators included in the quality account. Unlike *Monitor's Annual Reporting Manual* for FT quality reports, DH did not mandate performance indicators for NHS trust quality accounts. However, the Audit Commission's guidance to auditors stated that: 'where possible, auditors should test two of the indicators that Monitor specifies for auditors of FTs to review as part of their work on the 2010/11 quality report.' (Ref. 4).

24 These indicators were:

- for acute trusts – MRSA bacteraemias or Clostridium difficile infections, and 62-day cancer wait data;
- for mental health trusts – 100 per cent of patients who are part of an enhanced Care Programme Approach received follow-up contact within seven days of discharge; minimising delayed transfers of care; or admissions to inpatient services who had access to crisis resolution treatment teams.

25 In testing the performance indicators, auditors were required to ensure that:

- the data was relevant and reliable;
- the indicator was calculated according to the correct definition; and
- the data quality arrangements were working consistently.

26 Our auditors reported few substantive issues with the MRSA and Clostridium difficile data they tested. However, because of the low numbers of MRSA bacteraemias at many trusts, they were often only testing a small sample.

27 Auditors reported more data quality issues for 62-day cancer wait data than for MRSA and Clostridium difficile. This is probably because MRSA is more easily counted than 62-day cancer waits. In ten cases, auditors raised an issue with the relevance and reliability of the data; in five cases the indicator was not calculated in accordance with the national definition; and in eight cases the arrangements to secure good data quality worked inconsistently.

28 Auditors found an issue with a third of the mental health indicators tested.ⁱ In six cases, auditors raised an issue with the relevance and reliability of the data; in four cases the indicator was not calculated in accordance with the national definition; and in two cases the arrangements for securing good data quality worked inconsistently. It has been our experience that data quality is generally weaker in mental health trusts than acute trusts.

29 Our report, Figures You Can Trust, contains five steps for improving data quality in the NHS: clear leadership; greater clinical engagement; a stronger interest from boards; external monitoring and review; and more central support for local organisations. (Ref. 5)

30 Around half of acute trusts selected MRSA as a performance indicator and a third selected Clostridium difficile. Three-quarters of acute trusts used 62-day cancer wait data as a performance indicator, the alternatives to which were varied: patient falls (four trusts); stroke

ⁱ There were 12 mental health trusts and, therefore 24 indicators tested.

care (two trusts); venous thromboembolism (two trusts); and other (four trusts).

31 Mental health trusts did not adhere as closely to Monitor's listed indicators as acute trusts and chose a more varied range of performance indicators. Of the 24 indicators tested, only 14 were those specified in the guidance (nine for Care Programme Approach and five for Access to Crisis Resolution). However, three were for seven day follow-up after discharge and nine were for something else.

32 Local choice of different indicators raises significant questions for the comparability of quality accounts. It would be reasonable to expect that reports would be prepared on the same basis if the same assurance regime is to apply to them next year.

Comparison with foundation trusts in 2009/10

33 It is not possible to draw direct comparisons between the results of the external assurance of FTs in 2009/10 or 2010/11 and NHS trusts in 2010/11 because the requirements were different in each case. However, it is possible to compare the broad themes for improvement.

34 In March 2011, the Audit Commission's Audit Practice published a briefing on the findings of its 'dry run' review of 2009/10 quality reports at 52 FTs. (Ref. 6) There were four key areas for improvement:

- the widespread lack of comprehensive systems and controls for compiling quality reports;
- variability in FTs' arrangements for ensuring data quality;
- most FTs had not fully documented or identified the data quality controls; and
- FTs had interpreted some of the performance indicator definitions differently.

35 The King's Fund made some similar points on data quality in its own briefing on 2009/10 quality accounts. (Ref. 7)

36 These are broadly the same issues that auditors found at NHS trusts this year. This presents both a challenge and an opportunity for NHS trusts to improve. FTs made progress on all of these areas in 2010/11, suggesting NHS trusts can do the same. The plan is for the NHS trust quality account and FT quality report external assurance regimes to align fully in 2011/12. Therefore, NHS trusts need to reach the same level as FTs as soon as possible. Auditors can play a role in spreading best practice between their clients. Our briefings are part of the process of knowledge sharing.

Foundation trusts

37 The Audit Commission's Audit Practice reviewed the quality reports of 52 (out of 136) FTs in 2010/11. Overall, the Audit Practice reported a positive and improving picture.ⁱ FTs have improved their processes and compilation arrangements for the production of quality reports, resolving many of the first year problems identified in para 27. However, FT boards need to do more to use quality reports in a more proactive way to identify where improvements are needed and to account publicly for the progress they are making.

38 Of the FTs we reviewed, all prepared their quality reports in line with *Monitor's Annual Reporting Manual* and they were consistent with the other sources of information specified by Monitor in their guidance. Auditors issued unqualified limited assurance reports on all quality reports. Finally, the substantive sample testing of the performance indicators did not reveal any significant matters but there were several minor areas identified for improvement.

Engagement with stakeholders

39 The quality report is a mechanism for FTs to engage with stakeholders. Auditors considered whether quality reports were consistent with a range of information, including the findings from engagement with governors, PCTs, local councils, staff, patients and the public. While complying with the letter of Monitor's guidance, we identified that:

- almost half of the FTs we reviewed could work more closely with governors and PCTs, to enable them to contribute more fully to the development of the quality report; and
- a quarter of the FTs we reviewed needed to make it clearer in their quality report how they had used the views of patients, the wider public and staff when selecting improvement priorities and outcome measures.

ⁱ We asked our FT auditors to state in a survey whether last year's recommendations had been implemented and all stated that FTs had implemented either all or most of them.

Stakeholder engagement: Salisbury NHS Foundation Trust

Salisbury NHS Foundation Trust engages with a range of stakeholder groups in different ways throughout the year to inform and shape the priorities and achievements it includes in its quality report. The Trust also invites volunteers from a readership panel to comment on draft versions of the report.

- The Trust invites overview and scrutiny committees and other special interest groups to the Trust to see its work.
- It tailors presentations to specific stakeholders.
- Local health fairs are held at a range of locations and are open to the general public.
- The Trust gives presentations to governors – it will be working more closely with a ‘Patient Experience’ governor group next year.
- Members of the Clinical Governance Committee talk to frontline staff about quality issues, observe ward practice and talk to patients about what it is like to be a patient on the ward.
- It captures relevant feedback from other related events held at the hospital – equality and diversity events, for example.

Source: Salisbury NHS Foundation Trust and Audit Commission’s Audit Practice

Use of information

40 The transparency of quality reports is aided by the effective use of information such as complaints, patient surveys, historical and comparative data. Auditors found that, for all FTs, the quality report was consistent with such information. We also highlighted that:

- a quarter of FTs could improve the way complaints data is reported, specifically by aligning the annual complaints report with the data reported in the quality report; and
- almost half of FTs could make better use of historical and comparative information to provide context in the quality report.

Case study 3

Presenting information accessibly: Salford Royal NHS Foundation Trust

The Trust recognised the importance of making the quality report user-friendly as an enabler to communicate the quality of services work to as wide an audience as possible.

Trust methods to provide accessible information included:

- use of case-studies to provide the story of quality work being undertaken;
- clearly labelled tables to reduce the amount of text and to provide an overview;
- well-labelled graphs to provide an at-a-glance explanation of quality work; and
- use of historical information and diagrams to highlight key points.

The Trust also used a framework to describe their quality projects. This precisely defined their aims, was clear when these aims would be achieved, and charted the progress made. The structure was repeated through the quality report and ensured that the Trust's quality aims and achievements were clear. The Trust worked closely with their design team to design the look and feel of the report, which helped add to the readability of the document.

The feedback received from stakeholders has been positive with LINKs describing the report as 'clear and concise'.

Source: Salford Royal NHS Foundation Trust and Audit Commission's Audit Practice

Governance

41 One of the main objectives of quality reports is to enable the FT board to put in place strategies to improve the services they deliver. Without clear and effective governance arrangements, FTs may struggle to implement such strategies. Monitor's guidance puts particular emphasis on information governance.

42 Auditors reported that 80 per cent of FTs had clear governance arrangements in place. Other FTs could make improvement, particularly on information governance, by:

- ensuring their information governance strategy sets out the corporate approach to data quality;
- defining responsibility for strategic data quality issues;

- ensuring roles and responsibilities in respect of data quality are included in job descriptions for frontline staff; and
- setting out a framework for completing data quality audits across the FT.

43 Auditors found that a quarter of FTs could improve the assurance given to the board about the reliability of performance information reported in their quality report. FTs should provide their board with assurance that the information used in their quality report is reliable, accurate and complete. At 6 of the 52 FTs reviewed, auditors suggested that they improve the quality of the current performance information in their quality report by:

- including full year data wherever possible (but if the performance is based on estimates, or part-year data, then make this explicit in the quality report);
- providing clearer information on how indicators are measured and monitored;
- improving the presentation of the national priority performance indicators – making them easier to understand; and
- ensuring the reported data reflects the data collected.

Case study 4

Getting the basics right: South Warwickshire NHS Foundation Trust

In preparing its quality report South Warwickshire NHS Foundation Trust considered carefully how best to use the opportunity to provide an external-facing document which would be part of the annual report. It appointed an Executive Director with overall responsibility to take a strategic view and make key decisions in preparing the report. The Trust also had a clear timetable for preparing draft reports with sufficient time to refine and tailor the report as an engaging external document.

The Trust was also keen to work with its external auditors and encouraged feedback to benefit from the auditor's experience of other quality reports and sharing good practice from other FTs. Readers found that the report was clear and avoided acronyms and jargon.

Source: South Warwickshire NHS Foundation Trust and Audit Commission's Audit Practice

Comparison with 2009/10

44 We outline the key areas for improvement at FTs in 2009/10 in paragraph 27 above. Despite demonstrating improvement on last year, FTs still need to do more. In particular, they need to better integrate the process of producing quality reports with their wider quality improvement agendas, and engage more fully and effectively with wider stakeholders.

45 These are ongoing issues that FTs share with NHS trusts. For this reason, we have included a final case study on effective stakeholder engagement.

Case study 5

Progress reporting to stakeholders: 2gether NHS Foundation Trust

2gether NHS Foundation Trust takes the view that it needs to engage with stakeholders to make its quality priorities and initiatives meaningful. As well as innovations such as specially designed engagement tools – kiosks and touch screens, for example – the Trust produces a quarterly quality account progress report for its Board, governors and strategic partners.

The progress report provides an update on the implementation on the quality report initiatives. It is also a way of obtaining feedback on the quality processes in place, and views on priorities for the coming year.

The quarterly progress reports are leading to increased dialogue with stakeholders on quality issues and creating clear priorities for future work. They have also enabled an improved understanding of the quality actions and measures, and positive discussions with stakeholders on the actual impact on patient care.

Gloucestershire LINKs said:

‘The statement on quality from the Chief Executive gives an excellent review of the quality initiatives achieved last year and those planned for this year. It clearly indicates that the trust has a commitment to continually improve the quality of services it provides.’

Source: 2gether NHS Foundation Trust and Audit Commission’s Audit Practice

References

- 1** Department of Health, *Quality Accounts Toolkit 2010/11: Advisory Guidance for Providers of NHS Services Producing Quality Accounts for the Year 2010/11*, Department of Health, 2010.
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- 6** Audit Commission, *Producing Quality Reports: External Assurance of Foundation Trust Quality Reports 2009/10*, Audit Commission, 2009
- 7** Catherine Foot, Veena Raleigh, Shilpa Ross and Tom Lyscom, *How Do Quality Accounts Measure Up? Findings from the First Year*, The King's Fund, 2011.

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We welcome your feedback. If you have any comments on this report, are intending to implement any of the recommendations, or are planning to follow up any of the case studies, please email: nationalstudies@audit-commission.gov.uk

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