

GLOUCESTERSHIRE PRIMARY CARE TRUST

STATEMENT ON INTERNAL CONTROL 2008/09

1. Scope of responsibility

The Board is accountable for internal control. As Accountable Officer, and Chief Executive of this Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible as set out in the Accountable Officer Memorandum.

As Accountable Officer and Chief Executive, I am accountable through the Strategic Health Authority to the Accounting Officer of the Department of Health for the funds entrusted to the Gloucestershire Primary Care Trust (the PCT).

The proper fulfilment of the functions for which the Board and I are responsible involves a network of key stakeholders, including patients and the public, elected representatives such as MPs, local authorities, other NHS Trusts, the Strategic Health Authority, local independent contractors and the voluntary sector.

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of the organisation's policies, aims and objectives,
- evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in the Gloucestershire Primary Care Trust for the year ended 31 March 2009 and up to the date of approval of the annual report and accounts.

3. Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The head of internal audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by the comments and feedback received from other review bodies (including the Primary Care Clinical Audit Group and the PCT's external auditors) and our self assessment on the degree of compliance with the Department of Health's Core Standards for Better Health.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the relevant internal mechanisms including the Board, Audit Committee, Integrated Governance Committee and the Clinical Quality Assurance Group. A plan to address weaknesses and ensure continuous improvement of the system is in place.

The Audit Committee and the Integrated Governance Committee are both sub-committees of the Board. The Clinical Quality Assurance Group is a sub-groups of the Integrated Governance Committee. There is an overlap of membership of the Audit Committee, Integrated Governance Committee and the Clinical Quality Assurance Group which allows issues to be addressed by the appropriate group and escalated accordingly.

Internal Audit is involved with the work of the Audit Committee and works alongside the PCT in the development of risk management processes and arrangements for mitigating risk. During 2008/09 the internal auditors reviewed a number of high level governance areas including the Integrated Governance arrangements and the Standards for Better Health processes. The Head of Internal Audit's overall opinion is that significant assurance can be given that there is a generally sound system of control, designed to meet the organisation's objectives and that controls are generally being applied consistently. Internal audit did raise critical concerns regarding the absence of three service level agreements with Gloucestershire Hospitals NHS Foundation Trust. In addition the Auditors identified a critical concern over overall data quality and with Child Health, in particular. The organisation has commenced management action on all of the Audit reports and the outcomes will be monitored by the Audit Committee and the Internal Auditors.

The self assessment process regarding the Core Standards for Better Health undertaken in relation to the Annual Health Check, has indicated that the Board has received reasonable assurance that the PCT is compliant with all core standards with the exception of Standard 4b – Medical Devices and Standard 4d – Medicines Management.

The PCT Board recognises that it has insufficient assurance relating to some aspects of the policies and procedures surrounding training in relation to medical devices.

The organisation has put in place an action plan that will result in the development and implementation of a Medical Devices Policy. In addition, robust training procedures and record keeping in relation to medical devices will be implemented by July 2009 and will be monitored by the Integrated Governance Committee.

The PCT reported compliance was 'not met' in 2007/2008 for Medicines Management (Standard 4d). The action plan was not implemented until June 2008 and as a result the PCT is required to report 'not met' compliance for the whole year 2008/2009 on this standard.

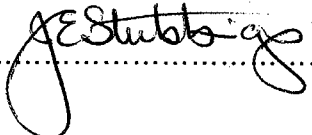
Where minor lapses have occurred in the achievement of some other core standards, appropriate remedial action has been taken and the Board and I are satisfied that the action plans in place will deliver the required improvements.

During the year the PCT had four Serious Untoward Incidents relating to data security:

- Pre-school child names and addresses were sent from the Gloucestershire Care Services Child Health Department to Gloucestershire County Council in

order that letters could be sent to parents regarding preparation for school. The lists sent included the names of approximately 20 deceased children, whose parents incorrectly received the letters. Apology letters were sent to all affected parents by the County Council and a full investigation was carried out by Gloucestershire Care Services in association with the Country Council. An action plan has been implemented in order to prevent a re-occurrence of this incident.

- A total of 223 patient records was destroyed in error by the storage contractor. A review of the processes which led to this error is being undertaken by the contractor and an action plan will be produced once the review has been completed.
- A number of Human Papillomavirus (HPV) vaccine consent forms sent through the internal post system failed to arrive. A root cause analysis of this incident has generated an action plan to increase the security of records in transit.
- A number of personal computers were stolen as the result of a break-in at a community hospital. One of these held approximately 4,500 patient letters. The investigation into this incident, which occurred on the 25th March 2009, is continuing.

Signed:  Chief Executive (On behalf of the Board)

Date: 11/6/09

A complete version of the Statement of Internal Control