NEWS RELEASE

FOR IMMEDIATE RELEASE **28 APRIL 2006**

New report issued on financial state of West Hertfordshire health bodies

The District Auditor for the West Hertfordshire Hospitals NHS Trust and for the St Albans and Harpenden; Hertsmere; Watford and Three Rivers; and Dacorum primary care trusts (PCTs) has today issued a report that draws attention to the significant cumulative financial deficits recorded by these bodies between 2003 and 2006.

In his public interest report, issued under Section 8 of the Audit Commission Act, the District Auditor found that:

- The cumulative deficit across the five bodies at 31 March 2006 is likely to be in the region of £75 million. West Hertfordshire Hospitals Trust accounts for £43 million accumulated over three years, and the PCTs for £32 million accumulated over two years.

- The forecast deficit for 2005/06 alone across the five bodies is £44 million; £28.6 million at the Trust and £15.6 million across the PCTs.

- The Trust and PCTs need to take action to improve arrangements with regard to partnership working, corporate governance, and the accurate and prompt reporting of financial data to their respective Boards. Additionally, each body needs to develop a more rigorous approach to longer-term financial planning.

Rob Murray, the District Auditor, said:

'Each organisation has developed recovery plans aimed at securing the savings required to return them to in-year financial balance. Turnaround teams have been appointed to four of the five bodies to assess the current financial position and to identify additional measures to address the financial difficulties. However, all five need to work with the Bedfordshire and Hertfordshire Strategic Health Authority and with other organisations in the local health economy to identify further savings. These can only be achieved through major changes to current NHS services, and with the support of the public and other stakeholders.'

Copies of the report are available from the West Hertfordshire Hospitals NHS Trust, St. Albans and Harpenden PCT, Hertsmere PCT, Watford and Three Rivers PCT, or Dacorum PCT. Copies are also available from the Audit Commission website at **www.audit-commission.gov.uk/pir/**

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NOTES TO EDITORS

The duties and powers of auditors appointed by the Audit Commission are set out in the Audit Commission Act 1998 and the Commission's statutory Code of Audit Practice. Under the Code of Audit Practice, appointed auditors are also required to comply with the current professional standards issued by the independent Auditing Practices Board.

Appointed auditors act quite separately from the Commission and in meeting their statutory responsibilities are required to exercise their professional judgement independently of both the Commission and the audited body.

Under Section 8 of the Audit Commission Act the appointed auditor is required to issue a report in the public interest on any matter coming to his or her attention in the course of the audit, to bring it to the notice of the audited body and the public.

For health bodies, under Section 10 of the Act, the appointed auditor must send a copy of the report to the Secretary of State and the health body must consider its contents as soon as practicable in a meeting open to the public.

The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively, to achieve high quality local services for the public. Our remit covers around 11,000 bodies in England, which between them spend more than £180 billion of public money each year. Our work covers local government, health, housing, community safety and fire and rescue services.

As an independent watchdog, we provide important information on the quality of public services. As a driving force for improvement in those services, we provide practical recommendations and spread best practice. As an independent auditor, we ensure that public services are good value for money and that public money is properly spent.

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