



Environmental sustainability

Assurance over ERIC returns - self-assessment checklist



Background

One of the aims of the HFMA's environmental sustainability special interest group (the group) is to provide information and showcase good practice in the area of healthcare and environmental sustainability.

NHS bodies have varied requirements to take action, and report, on measures to improve environmental sustainability – both strategically and operationally. To do that, quality data is required.

This briefing and self-assessment checklist has been developed with input from the group and the HFMA's governance and audit committee.

While every care had been taken in the preparation of this briefing, the HFMA cannot in any circumstances accept responsibility for errors or omissions, and are not responsible for any loss occasioned to any person or organisation acting or refraining from action as a result of any material in it.

Environmental reporting and targets

At a national level the Climate Change Act 2008 set government bodies legally binding targets for the reduction of carbon emissions. This is reflected in the Greening Government commitments for government departments¹. These commitments are applicable to the Department of Health and its executive agencies and non-departmental public bodies although NHS bodies themselves are not

¹ www.gov.uk/government/publications/greening-government-commitments-2016-to-2020/greening-government-commitments-2016-to-2020

specifically within their scope. But this does not mean that NHS bodies can ignore the environmental sustainability agenda.

The NHS long-form² standard contract requires the NHS provider body to maintain a sustainable development management plan (SDMP)³ and provide a summary of progress against that plan in its annual report⁴.

In order to develop a plan and monitor progress against it, timely and reliable financial and non-financial data is needed. NHS bodies therefore need to put in place arrangements to assure themselves of the quality of the data that they using to make decisions. For financial data, controls and assurance processes are well established – through standing orders (SOs), standard financial instructions (SFIs) and their associated controls as well as being subject to regular internal and external audit review. For non-financial data, this is not usually the case.

One of the key sources of environmental sustainability data is the annual submission to the Estates Return Information Collection, (known as the ERIC return) which contains information about emissions and energy usage. It is used to benchmark NHS bodies' performance in relation to environmental sustainability as well as, more recently, in the model hospital. Whilst there will be other sources of non-financial environmental data, this briefing focuses on the ERIC returns.

The group have considered what questions need to be asked when considering the quality of the data included in ERIC returns. This work could be undertaken by internal auditors, staff who are using the data or staff who are producing the data – none of whom are expected to be experts in environmental reporting. This work is expected to be a first step which may need to be followed up by a specialist in the field of environmental reporting undertaking more detailed work in this area.

The checklists have been developed with the SDMP and ERIC returns in mind but can be used to look at other parts of the environmental sustainability agenda and non-financial data sources.

Estates Return Information Collection (ERIC) returns to NHS Digital

NHS Digital (or its predecessor bodies) has been collecting estates and facilities data from NHS providers each year since 1999/2000⁵. It is a compulsory annual return which provides the Department of Health, NHS regulators and other government departments as well as NHS bodies themselves with data about the safety, quality, running costs and activity related to the NHS estate. Data from the ERIC return is now being used by NHS Improvement in their model hospital metrics.

The ERIC data fields and definitions guidance for 2016/17 states:

'Whilst trusts have different estate and facilities needs as well as different approaches to management locally, ERIC aims to collect nationally consistent and accurate data that can be relied upon to support analysis. It is therefore essential that trusts ensure that all data provided by them is complete, accurate and up-to-date. Errors in data provision cannot always be subsequently rectified and may have an impact on trusts not only in terms of reputation but also funding decisions.

Given the increasing importance of the data collected, particularly in terms of efficiency and productivity, all trusts must undertake the following actions before they submit their data and record locally that these actions have been carried out:

² This is a requirement of the long-form of the NHS contract which must be used where acute, cancer, A&E, minor injuries, 111 or emergency ambulance services or any other hospital in-patient services are being commissioned

³ See HFMA's briefing Environmental sustainability: Sustainable development management plan - self assessment checklist

⁴ The HFMA's briefing *Reporting on environmental sustainability* summarises the requirements for NHS bodies' annual report and accounts www.hfma.org.uk/publications/details/reporting-on-environmental-sustainability

⁵ <http://hefs.hscic.gov.uk/ERIC.asp>

- all data provided is compared and reconciled with that provided through the Financial Accounts and the previous year's ERIC return
- the Trust's Chief Executive or relevant Trust Board Director has checked and approved the ERIC return.'

This requirement has been in place for a number of years, so established systems should be in place to collect and assure the ERIC return data. However, the report issued by Lord Carter of Coles *Operational productivity and performance in English NHS acute hospitals: unwarranted variations*⁶ stated:

'During our analysis we consistently found imperfections in the data reported by individual trusts, whether it is allocation of staff to the national Electronic Staff Record (ESR), returns to the Estates Returns Information Collection (ERIC) or compilation of reference costs. Given this, we cannot stress strongly enough how important it is for trusts to record and report data accurately, particularly as this data will be used for a more open and integrated approach to performance management across the NHS.'

Data quality has been a recurring issue in the NHS – in relation to waiting lists, healthcare resource costs and clinical coding. Financial information is routinely audited but non-financial information is subject to much less scrutiny.

Partly as a result of these issues some non-financial information is now subject to formal review:

- NHS Improvement mandates that NHS foundation trusts' quality reports are reviewed by the external auditor who has to provide a limited assurance report on some of the performance indicators published in the report
- NHS Improvement also runs a costing assurance programme⁷ which includes external review to assess whether NHS providers are complying with costing guidance.

The Audit Commission issued *Data quality matters* which opens with the following statement:

'Data quality matters, and will continue to do so.

- Good quality data is an important part of robust governance and arrangements to secure value for money.
- Poor quality data can lead to flawed decision making and wasted resources, and can leave vulnerable people at risk.
- Good quality data supports service user choice and is a vital element of transparency and accountability.
- Data quality supports service transformation, and working across organisational and sector boundaries.'

There is no current requirement for NHS bodies to seek external assurance on their sustainability data. However, it is important that any data being reported externally and used to make decisions is reliable, and ERIC returns are being used more widely, particularly to populate the model hospital.

NHS Improvement's *Detailed requirements for external assurance for quality reports for foundation trusts 2016/17*⁸ summarises the steps that auditors need to take when testing performance indicators:

- document the systems used to collect the reported information – this should include any controls to validate the data
- perform a walkthrough of the system to confirm their understanding of the data collection process
- undertake substantive testing of indicators back to supporting documentation.

⁶ www.gov.uk/government/uploads/system/uploads/attachment_data/file/499229/Operational_productivity_A.pdf

⁷ <https://improvement.nhs.uk/resources/costing-assurance-programme/>

⁸ <https://improvement.nhs.uk/resources/nhs-foundation-trust-quality-reports-201617-requirements/>

The substantive testing needs to consider the six dimensions of data quality:

- accuracy
- validity
- reliability
- timeliness
- relevance
- completeness.

The table below includes a suggested list of questions which will allow NHS bodies to get some assurance over the data quality of their ERIC returns. The list is not comprehensive and will need to be tailored for each particular NHS body.

	Assessment and supporting evidence
Governance and leadership	
Is there a senior individual responsible for data quality of ERIC information?	
Does that individual liaise with the senior individual responsible for environmental sustainability?	
Is the NHS body clearly committed to data quality with a clear message to all staff are on their part in ensuring quality data?	
Is accountability for data quality part of the performance appraisal system?	
Where there is joint working, is there an agreed framework for data quality with partners?	
Is data subject to robust scrutiny by senior staff and those charged with governance?	
Is there a policy for data quality?	
Is that policy supported by operational procedures and guidance for staff?	
Are those policies reviewed and updated regularly?	
Are data collection systems clearly documented? Are they reviewed regularly against data definitions?	
Has a walkthrough of the data collection system been performed by an individual independent of the system? When was the last time this area was subject to specific audit coverage (whether by internal audit or external audit) or review by independent specialist?	
Are ERIC returns reviewed and signed off as required by the NHS Digital guidance?	
Are ERIC returns reconciled to financial data in the accounts? Are any differences investigated and amended as necessary?	

	Assessment and supporting evidence
Is data in the ERIC return reconciled to other data sources where possible? For example, the asset register.	
Is the data collected subject to review/ sense check? Are trends identified and any unexpected movements investigated?	
Are any validation checks applied? If so, are validation errors identified and investigated?	
Has consideration been given to how data not currently validated could be subject to validation checks?	
Accuracy	
Is the purpose of collecting the data clear? For example, meter readings may be taken to check bills, but also to review levels of consumption of utilities. The data collected, and timing of collection may be different, or it could be collected once for both purposes?	
Is data used for multiple purposes? For example, meter readings may be taken to check bills and monitor consumption.	
If data is used for multiple purposes, is it appropriately collected for all of those reasons? For example, data collected to check meter readings may be needed quarterly when the bills arrive but another collection period may be better to identify changes in consumption	
Is there clear guidance on the data which should be captured? For example, is financial information inclusive or exclusive of VAT?	
Is it clear what level of detail must be recorded?	
Is the data recorded in line with the guidance on the data which is being captured (for example, the ERIC guidance)?	
Is the data collected automatically, or is it recorded manually?	
What controls are in place to ensure that it is correctly recorded? These controls may be different depending on how the data is collected.	
Validity	
Has the data been produced in compliance with relevant requirements (for example, the ERIC guidance)?	
Have any rules or definitions been correctly applied?	

	Assessment and supporting evidence
Reliability	
Has data been collected using a stable process in a consistent manner over a period of time?	
Have any changes to data collection methods been made to improve reliability?	
What are the arrangements for protecting data from manipulation?	
Is data backed up to prevent loss or overwriting?	
Timeliness	
Is data captured as close to the associated event as possible?	
Is it available for use in a reasonable time period?	
What is a reasonable time period for the data being collected? How often do management need to access the data to make decisions? For example, for some clinical purposes patients may be monitored continuously, but for sustainability purposes quarterly data may be sufficient.	
Relevance	
Is the data captured relevant for the purposes it is needed?	
Is that purpose clearly articulated and understood?	
Has that purpose been reviewed to ensure it meets current needs?	
Does the data meet any eligibility requirements defined by guidance?	
Completeness	
Is all relevant information, as specified in the guidance on the information to be collected, included in the return?	
How are missing records identified?	
How are incomplete records identified?	
Once identified, how is missing or incomplete data updated?	