

Health boss admits staff "consciously" hid NHS Croydon's £23m deficit

FINANCE officers "consciously" hid NHS Croydon's £23 million deficit, a senior health boss has said. Ann Radmore, chief executive of NHS South West London, made the stark admission while giving evidence to a scrutiny committee on Monday night.



Ann Radmore, chief executive of NHS South West London gave evidence to the committee. The panel, made up of councillors from five boroughs, was established to review the findings of a £1 million independent investigation which uncovered the deficit but found no one responsible.

Ms Radmore told the committee the overspend had been "deliberately" hidden within a section of the **accounts** called PCT 98, but continued to insist that no one needed to be disciplined. When asked to explain, she said: "My reading of the report is that it was clear actions were taken by someone consciously. But these actions did not create the deficit.

"What happened was a series of activities that were completed by individuals when doing the accounts which meant (the deficit) could not be seen.

"These things did not happen in a random way. Numbers had to be written on the various appendices and things that made up the accounts.

"That does not mean they were trying to collude or create a false set of accounts. I am not implying motivation around the individuals who took these actions."

NHS Croydon posted a surplus of £5m in 2010/11, accounts which were then approved by Ms Radmore, internal auditors Deloitte and externally by the Audit Commission, which was paid £275,000 for its work.

An independent report by Ernst & Young, published in July, found that the trust had actually been at least £22.73m in the red, blaming "substandard processes" for the

discrepancy. NHS London, which commissioned the report, maintains that all the money was spent on providing healthcare in Croydon and that no individuals were "entirely" at fault. No one has been dismissed or even disciplined and many of those involved now work elsewhere in the NHS. Croydon councillor and committee chairman Jason Cummings asked Ms Radmore: "You say these were deliberate actions yet no one has been held accountable. Can you see how that might seem incredible to us?" She replied: "This was a comprehensive report which sought to understand the reasons and consequences of what happened.

"It was very clear there was no personal gain and it was not the responsibility of one individual. That would logically lead to the conclusion that disciplinary action wouldn't be taken against an individual." Ms Radmore, who is the first person to give evidence to the committee, was accompanied by her lawyer to the meeting of the South West London Joint Health and Overview Scrutiny Committee held at Sutton Civic [Offices](#) 

She argued that having only assumed responsibility for NHS Croydon in February 2011, she could not be held accountable to actions prior to her appointment.

However, it emerged that as chief executive she did sign off the accounts in question. Richmond councillor Jonathan Cardy asked: "What checks did you undertake before signing them?" Ms Radmore replied that because of NHS Croydon's strong [financial performance](#)  in the past, the Audit Commission had decided to take a "light touch" approach to the 2010/11 accounts.

In fact it was internal auditors Deloitte, with the full knowledge of the trust's board of directors, who decided not to subject the books to thorough examination.

Ms Radmore also admitted she did not check the section of the accounts which, it would later emerge, was where the deficit had been hidden.

"It's absolutely accurate to say I did not check PCT 98 for each of the PCTs," she said. "One of my bits of learning is that I might want to do that in the [future](#) .

Peter Brambleby, Croydon's former director of public health, resigned because of the scandal, subsequently branding Ernst & Young's report as a "whitewash".

But Ms Radmore told the committee: "I haven't seen a whitewash. I have seen a significant piece of investigation done by a very high quality external audit company. I'm absolutely satisfied there has been a full and forensic examination."

For more on this story see this week's Advertiser, out on Friday (September 28).