

*North East Ambulance
Service NHS
Foundation Trust*

Annual Audit Letter to the
Governors

2013/14 Audit

October 2014

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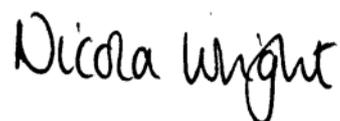
The Board of Governors
North East Ambulance Service NHS Foundation Trust
Bernicia House
Goldcrest Way
Newburn Riverside
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October 2014

Ladies and Gentleman

We are pleased to present our Annual Audit Letter summarising the results of our 2013/14 audit.

Yours faithfully



PricewaterhouseCoopers LLP

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Audit Code and scope of our audit

We perform our audit in accordance with Monitor's Audit Code for NHS Foundation Trusts ("the Code"), which was issued in March 2011. This is available from the Chief Executive of the NHS Foundation Trust. Our reports and audit letters are prepared in accordance with the Code.

Reports and letters prepared by external auditors and addressed to governors, directors or officers are prepared for the sole use of the NHS Foundation Trust, and no responsibility is taken by auditors to any governor, director or officer in their individual capacity, or to any third party. The matters raised in this and other reports that will flow from the audit are only those which have come to our attention arising from or relevant to our audit that we believe need to be brought to your attention. They are not a comprehensive record of all the matters arising, and in particular we cannot be held responsible for reporting all risks in your business or all internal control weaknesses. This report has been prepared for and only for North East Ambulance Service NHS Foundation Trust in accordance with the terms of our engagement letter dated 17 April 2014 and for no other purpose. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Introduction

The purpose of this letter

This letter provides the Board of Governors of North East Ambulance Service NHS Foundation Trust (“the Trust”) with a high level summary of the results of our audit for the financial year ended 31 March 2014, in a form that is accessible for you and the Board of Directors.

We have already reported the detailed findings from our audit work to the Audit Committee in our report to ‘those charged with governance’ which we presented at the meeting on 28 May 2014.

Scope of work

We carry out our audit work in accordance with Monitor’s Audit Code for NHS Foundation Trusts (“the Audit Code”), International Standards on Auditing (UK and Ireland) and other relevant guidance issued by Monitor.

The Board of Directors is responsible for preparing and publishing the Trust’s financial statements, including the annual governance statement, and for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of the Trust’s resources.

As the Trust’s auditors we are required to:

- form an opinion on the financial statements;
- review the Trust’s Annual Governance Statement;
- form a conclusion on the arrangements in place to secure economy, efficiency and effectiveness in the use of the Trust’s resources; and
- carry out any other work specified by Monitor, which this year comprised work on the Trust’s Quality Report.

We carried out our audit work in line with our 2013/14 Audit Plan which we presented to the Audit Committee on 17 January 2014.

Audit Findings

Accounts

We audited the Trust's accounts in line with approved Auditing Standards and issued an unqualified audit opinion on 29th May 2014. We would like to thank the Trust finance team for providing us with a good quality draft of the accounts and comprehensive working papers and their assistance throughout the audit process to help us meet this deadline.

We did not identify any material errors or issues in relation to accounting practices. We considered the impact of the warning notices issued to the Trust by the CQC during 2013/14 on the disclosures within the financial statements, as well as economy, efficiency and effectiveness, but reported no issues.

We identified two deficiencies in internal control which we included on our report to 'those charged with governance'. These related to the following areas:

- Ensuring the accuracy of the information used by the District Valuer during desktop valuation of the Trust's property portfolio; and
- Process for preparation of the Trust's annual report and quality report.

Management have committed to addressing the recommendations raised during the 2013/14 audit.

Annual Governance Statement (AGS)

The aim of the AGS is to give a sense of how successfully the Trust has coped with the challenges it faces and of how vulnerable the Trust's performance is, or might be, drawing on evidence on governance, risk management and controls.

We reviewed the AGS to see whether it complied with relevant guidance and whether it was misleading or inconsistent with what we know about the Trust. During this review, we considered the transparency of the Trust's reporting relating to the warning notices received from the CQC during 2013/14. We found no areas of concern to report in this context.

Quality Report

We are required by Monitor to review the content of the 2013/14 Quality Report and three performance indicators and produce two reports:

- limited assurance report: which says that nothing has come to our attention and this causes us to believe that, for the year ended 31 March 2014:
 - the Quality Report incorporates the matters required to be reported on as specified in Annex 2 to Chapter 7 of Monitor's NHS Foundation Trust Annual Reporting Manual ("the FT ARM");
 - the Quality Report is materially consistent with source documents specified by Monitor; and
 - the category A call emergency response time and ambulance response time mandated indicators have been prepared in all material respects in accordance with the criteria and the six dimensions of data quality set out in the '*Detailed guidance for external assurance on the quality reports 2013/14*'.

A limited assurance engagement is less in scope than a reasonable assurance engagement (such as the external audit of accounts). The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited compared to a reasonable assurance engagement.

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- **Governors' report:** A private report on the outcome of our work that is made available to the Trust's Governors and to Monitor. This includes additional substantive testing on a third local indicator, which is not included in our limited assurance report. Instead, we are required to provide a detailed report on our findings and recommendations for improvements in this within our Governors' report. For 2013/14, this local indicator related to Priority 3: To introduce an appointment based Patient Transport Service through 2013/14, across the entire NEAS area, and the indicator was defined as the 'Arrival at destination on time (% of journeys)'.

This work was carried out in May 2014 and we issued the long form report for governors on 29 May 2014. No significant matters were identified within our limited assurance report. However, the data on which the local indicator was based was found to be incomplete and inaccurate. A disclosure was made within the quality report to reflect the findings from our substantive testing.

In the event that, pursuant to a request which you have received under the Freedom of Information Act 2000 (as the same may be amended or re-enacted from time to time) or any subordinate legislation made thereunder (collectively, the "Legislation"), you are required to disclose any information contained in this report, we ask that you notify us promptly and consult with us prior to disclosing such information. You agree to pay due regard to any representations which we may make in connection with such disclosure and to apply any relevant exemptions which may exist under the Legislation to such information. If, following consultation with us, you disclose any such information, please ensure that any disclaimer which we have included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

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