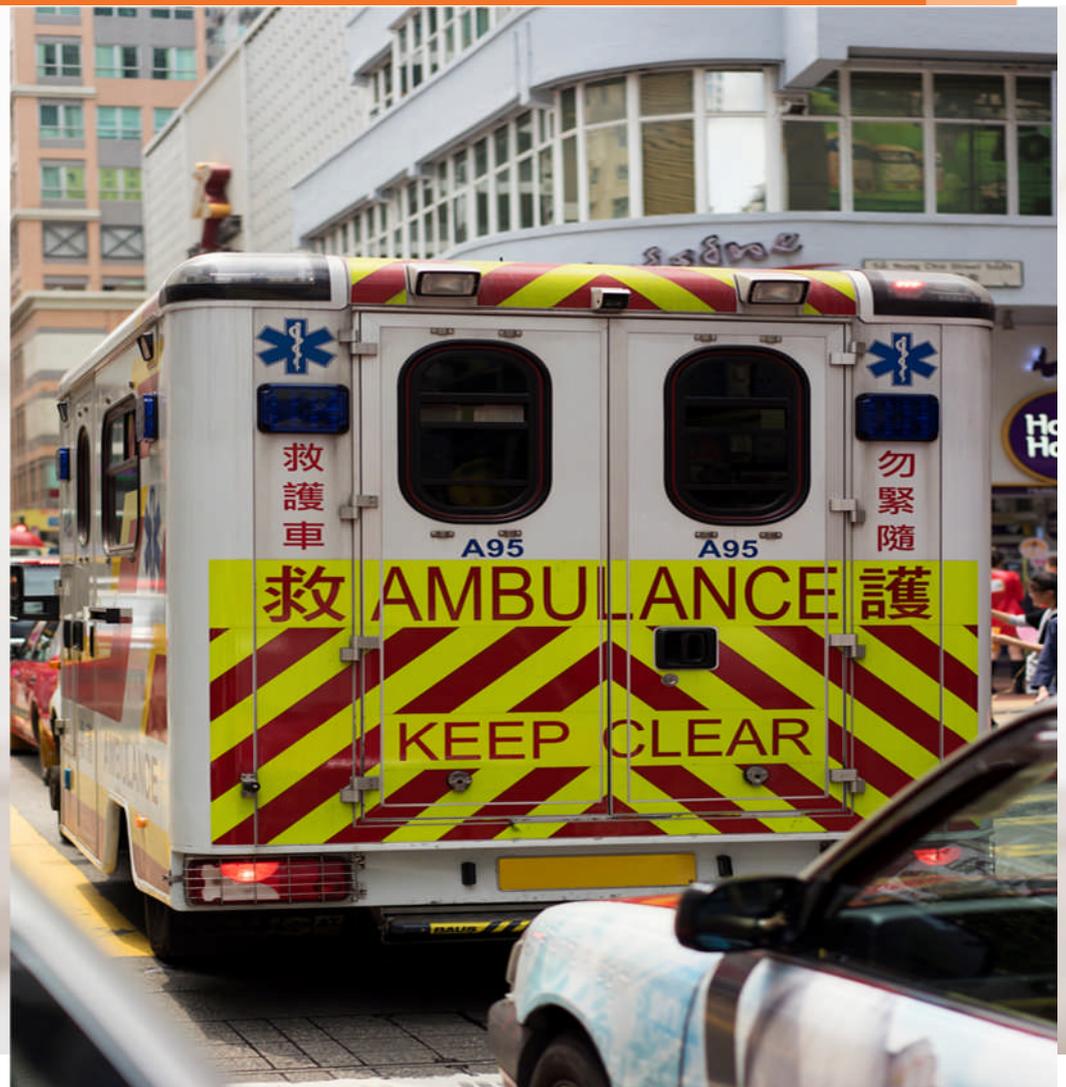


Annual Audit letter

North East Ambulance Service
NHS Foundation Trust

Year ended 31 March 2015

June 2015





The Council of Governors
North East Ambulance Service NHS Foundation Trust
Trust Headquarters
Bernicia House
Goldcrest Way
Newburn Riverside
Newcastle upon Tyne
NE15 8NY

June 2015

Ladies and Gentleman

We are pleased to present our Annual Audit Letter summarising the results of our audit for the year ended 31 March 2015. We look forward to presenting it to the Council of Governors of North East Ambulance Service NHS Foundation Trust.

Yours faithfully

PricewaterhouseCoopers LLP

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Contents

<i>Introduction</i>	2
<i>Audit findings</i>	3
<i>Appendices</i>	5
<i>Appendix A. Summary of recommendations (Accounts)</i>	6
<i>Appendix B. Summary of recommendations (Quality Report)</i>	7

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Introduction

The purpose of this letter

This letter provides the Council 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 year ended 31 March 2015, in a form that is accessible for you and other interested stakeholders.

We have already reported the detailed findings from our audit work to the Audit Committee in the following reports:

- audit opinion on the financial statements for the year ended 31 March 2015;
- report to those charged with governance (ISA (UK&I) 260);
- limited assurance opinion on the Trust’s Quality Report for the year ended 31 March 2015; and
- the ‘Governors Report’ setting out the findings arising from our work on the Quality Report for the year ended 31 March 2015.

Scope of work

We carried out our audit work in accordance with Monitor’s Audit Code for NHS Foundation Trusts updated in December 2014, 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. The Board of Directors is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of the Trust’s resources.

As auditors we need 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
- perform procedures on the Trust’s Quality Report, including:
 - provide an opinion on the content of the Trust’s Quality Report and the consistency of the document with a number of information sources specified by Monitor;
 - provide an opinion on two performance indicators included within the Trust’s Quality Report, as specified by Monitor; and
 - provide a summary of findings arising from our work on one performance indicator selected by the Governors.

We have carried out our audit work in line with our 2014/15 Audit Plan that we issued in January 2015.

Audit findings

Accounts

We audited the Trust's accounts in line with Auditing Standards and issued an unqualified audit opinion on 29 May 2015.

We did not identify any unadjusted misstatements for reporting to the Audit Committee as part of our audit; however we did raise one control recommendation which is summarised in Appendix A of this report.

Arrangements for securing economy, efficiency and effectiveness

As part of our audit we are required to conclude on whether the Trust had in place, for the year ended 31 March 2015, proper arrangements to secure economy, efficiency and effectiveness in its use resources. We issued an unqualified conclusion on 29 May 2015.

Annual Governance Statement

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

We reviewed the Annual Governance Statement to see whether it complied with relevant guidance and whether it was misleading or inconsistent with what we know about the Trust. We found no areas of concern to report in this context.

Quality Report

As part of our audit we are required to provide a limited assurance report, for the year ended 31 March 2015 stating that:

- the Quality Report incorporates the matters required to be reported as specified in Monitor's NHS Foundation Trust Annual Reporting Manual for 2014/15; and
- the Quality Report is materially consistent with the sources specified in Monitor's NHS Foundation Trust Annual Reporting Manual for 2014/15; and
- the following performance indicators have been prepared in all material respects in accordance with the criteria set out in the Quality Report:
 - Category A call – emergency response within 8 minutes; and
 - Category A call – ambulance vehicle arrives within 19 minutes.

We issued an unqualified opinion on the Quality Report; however we did identify a number of data quality issues with both of the mandated indicators which did not adversely impact on our opinion. We have included a recommendation in Appendix B of this report.

We are also required to issue a separate report on the findings of our work in relation to one performance indicator chosen by the Council of Governors. For 2014/15 the Council of Governors selected '*Percentage of ambulance responses resulting in conveyance to hospital*'. Out of a sample of 30 ambulance responses tested, we identified one case that had been recorded as a 'see and treat' response on the Cleric system but the call notes indicated that the patient had actually been transferred to James Cook University Hospital. Discussions with management indicated that the reason this case was classified incorrectly was due to the fact that the destination field in Cleric was left blank. This matter is considered in our recommendation set out in Appendix B.

Appendices

Appendix A. Summary of recommendations (Accounts)

Finding	Recommendation	Management response
<p>During our review of the process for posting manual journals we identified that it is possible for a journal to be prepared and posted by the same of member.</p> <p>Manual journals are the main way in which management could manipulate the financial position and therefore this is considered to be a significant internal control deficiency for the Trust</p>	<p>We recommend that access levels are reviewed so that it is not possible for journals to be prepared and posted by the same member of staff.</p> <p>If there is a business need for some members of staff to retain this access, we would suggest that an exception report is produced at the end of each week showing journals prepared and posted by the same person to be signed off by the Head of Financial Services</p>	<p>Management agree to review access levels but due to the way in which Oracle operates previous reviews have suggested that the current access levels are required.</p> <p>Management believe that checks undertaken by the Budgetary Control Manager and Head of Financial Management in preparing the Statement of Comprehensive Income for the monthly Board finance reports provide assurance.</p>

Appendix B. Summary of recommendations (Quality Report)

Finding	Recommendation	Management Response
<p>As part of our assurance work on the Quality Report we identified one case where manual data entry had resulted in an incident incorrectly being classed as a 'see and treat' case when the patient had actually been conveyed to hospital.</p> <p>Further review of the data set identified other cases where manual entry of case details into Cleric had resulted in an error. We understand that the Trust has a control in place to ensure that all manual entries into Cleric are checked for accuracy at the end of each day but it appears that this control has not been operating effectively during the year.</p>	<p>We recommend that the Trust reviews the control processes around manually adjusted calls in Cleric to check that they are operating effectively.</p>	<p>The Trust has considered the findings of the audit and have reviewed the associated control processes. A system change is being pursued which would provide improved controls on input and changes to the Data Quality Dashboard are also being implemented to more clearly highlight excessive times.</p> <p>Management are also reviewing internal checking processes across the Contact Centre to identify any gaps and this work is being taken forward by the Data Quality Action Group.</p>



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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