

Annual Audit Letter

North East Ambulance Service
NHS Foundation Trust

Year ended 31 March 2016

July 2016





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

July 2016

Ladies and Gentlemen

We are pleased to present our Annual Audit Letter summarising the results of our audit for the year ended 31 March 2016. 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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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 2016, 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 2016;
- 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 2016; and
- the ‘Governors Report’ setting out the findings arising from our work on the Quality Report for the year ended 31 March 2016.

Scope of work

We carried out our audit work in accordance with: the Code of Audit Practice, prepared and published by the Comptroller and Auditor General (C&AG); International Standards on Auditing (UK and Ireland); and other relevant guidance issued by Monitor and the National Audit Office (NAO).

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 2015/16 Audit Plan that we issued in January 2016.



Audit findings

Accounts

We audited the Trust's accounts in line with Auditing Standards and issued an unqualified audit opinion on 25 May 2016.

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 1 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 2016, proper arrangements to secure economy, efficiency and effectiveness in its use resources.

We issued an unqualified conclusion on 25 May 2016.

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 of 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 2016 stating that:

- the Quality Report incorporates the matters required to be reported as specified in Monitor's NHS Foundation Trust Annual Reporting Manual for 2015/16; and
- the Quality Report is materially consistent with the sources specified in Monitor's NHS Foundation Trust Annual Reporting Manual for 2015/16; and
- the following performance indicators have been prepared in all material respects in accordance with the criteria set out in the Quality Report:
 - Red 1 and Red 2 calls – emergency response within 8 minutes; and
 - Red calls – 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 the mandated indicator relating to emergency responses within 8 minutes. These issues did not adversely impact on our opinion. We have included a summary of these in Appendix 2 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 2015/16 the Council of Governors selected 'the *percentage of Advanced Practitioner referrals resulting in treating the patient at the scene of the accident*'.



On review of the initial dataset we noted the indicator was calculated on the basis of the outcome specific to the advanced practitioner's vehicle rather than the overall call outcome. This is more fully discussed within Appendix 2 of this report. Once the dataset was updated we tested 15 referrals and found no issues.

Appendices



Appendix 1: Summary of recommendations (Accounts)

Finding	Recommendation	Management response
Authorisation of journals		
<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 it is not practical to restrict dual access for all members of staff, 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 o Comprehensive Income for the monthly Board finance reports provide assurance.</p>

Appendix 2: Summary of issues (Quality Report)

Issue

Impact

Category A calls – Emergency response within 8 minutes

We identified two errors in our initial sample of 15 which highlighted underlying issues with the data. We asked management to revise the data to exclude the types of cases where we identified issues.

No impact on our limited assurance report.

Based on an updated dataset, out of a sample of 15 cases tested we identified one difference in the clock stop time. For the case identified, the call operator determined that there was a public access defibrillator with a fully trained individual present, at the incident location at which point the clock should have been stopped. The clock, however, was stopped 1 minute 48 seconds later. There was no impact on the performance indicator as both times were within the 8 minute target.

We performed a sense check of the data used to compile the indicator and noted that there were 229 cases with negative response times. Discussions with management have indicated that these response times relate to cases where call data is manually input into Cleric, for example where a static site defibrillator is confirmed as being on site which is a legitimate clock stop time, or the automated data is manually adjusted.

Percentage of Advanced Practitioner (AP) referrals resulting in a treatment at the scene of the accident

We reviewed the initial population provided by the Trust and noted some issues. The data which underpinned the impact of the AP's attendance included information relating to non-AP manned vehicles, where a second vehicle had to be called to transport a patient to hospital. The impact of this was to overstate the percentage of AP referrals resulting in treatment at the scene.

The issues identified in our testing highlighted that the reported performance was not based on the identified criteria. The reported performance was adjusted by management to meet the criteria and our sample testing of the adjusted dataset identified no issues.

The dataset was adjusted by management to meet the criteria and the reported performance was changed accordingly. 15 calls from the revised dataset were tested and no issues were identified.



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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