Yorkshire Ambulance Service NHS Trust

Auditor's Annual Report Year ended 31 March 2021

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Building a better working world

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Ref: EY-00

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The contents of this report are subject to the terms and conditions of our appointment as set out in our updated engagement letter dated 1 June 2021.

This report is made solely to the Audit Committee and management of Yorkshire Ambulance Service NHS Trust in accordance with our engagement letter. Our work has been undertaken so that we might state to the Audit Committee and management of the Trust those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit Committee and management of the Trust for this report or for the opinions we have formed.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Hywel Ball, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

Section 1

Executive Summary

Executive Summary: Key conclusions from our 2020/21 audit

Area of work	Conclusion	
Opinion on the Trust's:		
Financial statements	Unqualified – the financial statements give a true and fair view of the financial position of the Trust as at 31 March 2021 and of its expenditure and income for the year then ended. We issued our auditor's report on 25 June 2021.	
Parts of the remuneration report and staff report subject to audit	We had no matters to report.	
Consistency of the annual report and other information published with the financial statements	Financial information in the Annual report and published with the financial statements was consistent with the audited accounts.	
Area of work	Conclusion	
Reports by exception:		
Value for money (VFM)	We had no matters to report by exception on the Trust's VFM arrangements. We have included our VFM commentary in Section 04.	
Consistency of the annual governance statement	We were satisfied that the annual governance statement was consistent with our understanding of the Trust.	
Referrals to the Secretary of State	We made no referrals.	
Public interest report and other auditor powers	We had no reason to use our auditor powers.	
Area of work	Conclusion	
Reporting to the Trust on its consolidation schedules	We concluded that the Trust's consolidation schedules agreed, within a £300,000 tolerance, to the audited financial statements.	
Reporting to the National Audit Office (NAO) in line with group instructions	We had no matters to report to the NAO.	

Ref: EY-000092651-01

Executive Summary: Key conclusions from our 2020/21 audit

As a result of the work we carried out we have also:

Outcomes	Conclusion
Issued a report to those charged with governance of the Trust communicating significant findings resulting from our audit.	We issued our Audit Results Report dated 24 June 2021 to the Trust's Audit Committee.
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2020 Code of Audit Practice.	We have issued our certificate at the same time as this report.
	The certificate is set out in Appendix B.

Fees

Ref: EY-00009

We carried out our audit of the Trust's financial statements in line with the engagement letter and our Audit Planning Report, where we set out our expected fee of £120,000. Subsequent to our Audit Planning Report, the Trust was sampled as a component requiring full audit procedures; as such we increased our fee by £5,000.

We would like to take this opportunity to thank the Yorkshire Ambulance Trust staff for their assistance during the course of our work.

Janet Dawson Partner For and on behalf of Ernst & Young LLP Section 2

Purpose and responsibilities

Purpose and responsibilities

Purpose

This report summarises our audit work on the 2020/21 financial statements.

Ref: EY-0

The purpose of the auditor's annual report is to bring together all of the auditor's work over the year. A core element of the report is the commentary on VFM arrangements, which aims to draw to the attention of the Trust or the wider public relevant issues, recommendations arising from the audit and follow-up of recommendations issued previously, along with the auditor's view as to whether they have been implemented satisfactorily.

Responsibilities of the appointed auditor

We have undertaken our 2020/21 audit work in accordance with the Audit Plan that we issued on 29 April 2021. We have complied with the NAO's 2020 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the NAO.

As auditors we are responsible for:

Expressing an opinion on:

- The 2020/21 financial statements;
- The parts of the remuneration and staff report to be audited;
- The consistency of other information published with the financial statements, including the annual report; and
- Whether the consolidation schedules are consistent with the Trust's financial statements for the relevant reporting period.

Reporting by exception:

- If the governance statement does not comply with relevant guidance or is not consistent with our understanding of the Trust;
- To the Secretary of State for Health and Social Care if we have concerns about the legality of transactions of decisions taken by the Trust;
- If we identify a significant weakness in the Trust's arrangements in place to secure economy, efficiency and effectiveness in its use of resources;
- · Any significant matters that are in the public interest; and
- Any significant issues or outstanding matters arising from our work which are relevant to the NAO as group auditor.

Responsibilities of the Trust

The Trust is responsible for preparing and publishing its financial statements, annual report and governance statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Section 3

Financial Statement Audit

Financial Statement Audit

Key issues

The Annual Report and Accounts is an important tool for the Trust to show how it has used public money and how it can demonstrate its financial management and financial health.

On 25 June 2021, we issued an unqualified opinion on the financial statements. We reported our draft detailed findings to the 24 June Audit Committee meeting. We outline below the key issues identified as part of our audit, reported against the significant risks and other areas of audit focus we included in our Audit Plan.

Significant risk	Conclusion
Management override of controls An ever present risk that management is in a unique position to commit fraud because of its ability to manipulate accounting records directly or indirectly, and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identified journal entries and the misclassification of both COVID and capital expenditure as the key areas at risk of manipulation.	 We did not identify any specific fraud risks other than that relating to fraud in revenue recognition that has already been identified as a significant risk. (below) We did not identify any material weaknesses in controls or evidence of material management override. Through our testing of journals, we have not identified any matters to report. We have not identified any instances of inappropriate judgements being applied or bias within significant accounting estimates. We have not identified any significant unusual transactions requiring review and testing. We have nothing to report in relation to the Trust's financial management arrangements. Our testing of Capital items has not identified any incidences on incorrect capitalisation. We identified no issues with respect to Covid-19 related expenditure.
Risk of fraud in revenue and expenditure recognition	Our testing of the amounts received from commissioners in the period did not identify any exceptions.
There is a risk that income and expenditure could be inappropriately classified through those items that are non-routine and involve more management estimation and judgement.	On review for any additional funding streams or unusual income transactions, no items were identified that required specific audit testing. We have noted no issues in relation to our testing of PPE additions that suggest inappropriate expenditure recognition.
We assessed that the risks in these areas relate to;	Our review of transactions occurring around the year-end has identified no issues in relation to amounts included in the Statement of Comprehensive Income (SOCI).
 overstatement of debtors/accrued income and; 	We have identified no issues in our testing of provisions.
• potential understatement of liabilities in	

the balance sheet at the year-end.

Ref: EY-00005

Financial Statement Audit (cont'd)

Other area of audit focus	Conclusion
Valuation of land and buildings Land and buildings is the most significant balance in the Trust's balance sheet. The valuation of land and buildings is complex and is subject to a number of assumptions and judgements. A small movement in these assumptions can have a material impact on the financial statements including the Trust's charge for depreciation.	 In response to this risk, we undertook the following procedures: Reviewed the competency of the Trust's valuer and concluded they were appropriately competent to undertake the valuation; Reviewed the relationship of the valuer to the Trust and confirmed the valuer was appropriately independent of the Trust; Reviewed the output of the Trust's valuer; Challenged the assumptions used by the Trust's valuer by reference to external evidence and our EY valuation specialists; and Tested the journals for the valuation adjustments to confirm that they had been accurately processed in the financial statements.
	We were satisfied that the Trust's valuation of land and building was materially stated.

In addition to the significant risks above, we also concluded on the following areas of audit focus.

Other area of audit focus	Conclusion
Going concern disclosures The Trust is required to carry out an assessment of its ability to continue as a going concern for the foreseeable future, being at least 12 months after the date of the approved financial statements. There is a risk that the Trust's financial statements do not adequately disclose the assessment made, the assumptions used and the relevant risks and challenges that have impacted the going concern period.	 Undertaking a 'stand back' review to consider all of the

Ref: EY-000092651-01

Financial Statement Audit (cont'd)

Audit differences

Ref: EY-0

We identified a small number of misstatements in disclosures which management corrected.

Our application of materiality

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

Item	Thresholds applied
Planning materiality	We determined planning materiality to be £6.68 million as 2% of gross revenue expenditure reported in the accounts. We consider gross revenue expenditure to be one of the principal considerations for stakeholders in assessing the financial performance of the Trust.
Reporting threshold	We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.3 million.

We also identified the following areas where misstatement at a level lower than our overall materiality level might influence the reader. For these areas we developed an audit strategy specific to these areas. The areas identified and audit strategy applied include:

- Remuneration disclosures: We audited all disclosures and undertook procedures to confirm material completeness
- Related party transactions. We audited all disclosures and undertook procedures to confirm material completeness

Section 4

Value for Money

We identified three risks of significant weaknesses in the Trust's VFM arrangements for 2020/21.

Ref: EY-0

Scope and risks

We have complied with the NAO's 2020 Code and the NAO's Auditor Guidance Notes in respect of VFM. We presented our VFM risk assessment to the 29 April 2021 Audit Committee meeting which was based on a combination of our cumulative audit knowledge and experience, our review of Trust Board and committee reports, meetings with the Interim Executive Director of Finance and evaluation of associated documentation through our regular engagement with Trust management and the finance team. We reported that we had identified a risk of significant weaknesses in the Trust's VFM arrangements in relation to:

- Issues from our 2019/20 audit In 2019/20 we issued an adverse qualified VFM conclusion the issues identified during our audit included:
 - That the Trust's financial management and performance reports did not fully reflect the financial position of the Trust.
 - Weaknesses in the Trust's financial management arrangements. There was insufficient understanding of the Trust's revenue sources to facilitate effective challenge and scrutiny.
 - Weaknesses in the Trust's arrangements to review and approve significant contract variations with commissioners.
 - That training was required for Audit Committee members to ensure there is a full understanding of issues impacting on their governance responsibilities.
 - Scope to improve whistleblowing arrangements by ensuring: staff are aware of the availability and contact details of the Freedom to Speak Up (FTSU) Guardian; and that staff with delegated email access are trained in dealing with potential FTSU correspondence.
 - The need to outline to staff the need to act with integrity and understand the ethical requirements of their role.
 - That the Trust should investigate whether there are any issues preventing staff from appropriately speaking up.
- Financial control and governance There was uncertainty around future funding arrangements. Current funding arrangements that had been put in place since the start of the Covid-19 pandemic continued in H1 of 2021/22. There was uncertainty around funding beyond this, and contract negotiations with Commissioners were on hold. A risk existed that financial control and governance may be impacted by the Trust's inability to carry out proper financial planning while funding uncertainty remained.
- Staff job evaluations During the planning stages of our audit, Trust management outlined that there were significant provisions relating to the reevaluation of the role and responsibilities of staff groups. In some cases the appeals by staff groups were first made in 2018.

Reporting

We had no matters to report by exception in the audit report.

and the wider public.

Ref: EY-00

We completed our VFM arrangements work in June 2021 and did not identify any significant weakness in the Trust's VFM arrangements. As a result, we had no matters to report on the financial statements.

VFM Commentary

In accordance with the NAO's 2020 Code, we are required to report a commentary against three specified reporting criteria: Our VFM commentary highlights relevant issues for the Trust

- Financial sustainability How the Trust plans and manages its resources to ensure it can continue to deliver its services:
- Governance How the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: How the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

Introduction and context

We have previously reported to the Trust the VFM work we have undertaken during the year including our risk assessment. The commentary below aims to provide a clear narrative that explains our judgements in relation to our findings and any associated local context.

For 2020/21 the Trust has operated within a NHS Financial Framework that has taken into account the significant impact that the Covid-19 pandemic has had on the NHS as a whole as well as individual providers and commissioners. In addition, the Trust has progressed its partnership working with the local Sustainability and Transformation Partnership and the evolving arrangements for an Integrated Care System, which have included shared financial targets.

We have reflected these national and local contexts in our VFM commentary.

Financial sustainability

The Trust's arrangements for 2020/21 were in the context of changes to the NHS financial framework as part of the coronavirus pandemic response. Transaction flows were simplified in the NHS and the Trust and its commissioners moved onto block contract payments at the start of 2020/21. In the second half of the year, a revised financial framework built on these arrangements but with a greater focus on system partnership and the Trust derived most of its income from these system envelopes.

How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

The Trust's financial governance system covers budget planning, procurement and accounting. It is delivered through the Finance and Investment Committee and Audit Committee.

The Trust's Finance and Investment Committee maintains and provides oversight over the activity and performance information of the organisation, to provide assurance to the Board on appropriate actions. The Committee provides scrutiny to financial and operational performance against plans and forecasts, highlighting and seeking assurance on deviation or recovery, this includes:

- Performance against Cost Improvement Plan and review of forecast plans.
- Financial performance monitoring.
- Budget planning process.
- Delivery of operational performance in relation to all operational contracts and national requirements

The Audit Committee monitors and provides scrutiny over the approved risk management framework to ensure that Trust policies, systems and processes are effective in the management of all risks within the Trust and escalating risk management issues appropriately. This includes routine deep dives into specific risk register areas in order to gain assurance on the risk management process.

The Trust has had the arrangements we would expect to see to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

Ref: EY-0

Ref: EY-0

Financial sustainability (continued)

The Audit Committee has overall responsibility for the Board Assurance Framework and can refer any appropriate areas to the Finance and Investment Committee as required. The Finance and Investment Committee reports to the Audit Committee on the following areas for assurance:

- The strategic objectives within its terms of reference
- The Board Assurance Framework (BAF) risks falling within its terms of reference
- · Assurances in relation to the risks within its terms of reference
- Effectiveness of the Committee

The Finance and Investment Committee and Audit Committee report to the Trust Board.

How the body plans to bridge its funding gaps and identifies achievable savings

The Board are responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the Financial Plan and a balanced budget.

The Cost Improvement Programmes (CIP) are developed through the Trust's committee structure, ahead of the new financial year and in line with budget setting, with scrutiny at the Finance and Investment Committee and through the Integrated Performance Reports (IPR).

All cost improvement programmes have a reviewed and approved quality impact assessment, where risks and mitigating actions are identified prior to the scheme being able to proceed. Equality impact is assessed for policies.

The Finance and Investment Committee scrutinises the financial performance of the Trust and assesses the risks to achievement of plan, including through the progress of CIPs.

How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

The Trust has a corporate strategy which outlines the Trust's priorities for the next five years.

The vision 'One Team, Best Care' is underpinned by a four-point ambition:

- Patients and communities experience fully joined up care responsive to their needs.
- YAS people feel empowered, valued and engaged to performance at their best.
- YAS achieve excellence in everything it does.
- Resources are used wisely to invest in and sustain services.

The Trust translates this into an annual operating plan including the financial plans for enabling sustainable delivery of services. This forms the basis of monthly Trust Board reporting.

Ref: EY-0

Financial sustainability (continued)

The Trust has aligned its Clinical Strategy to efficient use of resources and to help delivery the NHS Long Term Plan ambition to place ambulance services at the heart of urgent and emergency care.

How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system

The Trust reports to each Board meeting on key performance areas including Workforce, Quality and Finance. The Trust's financial plans include reporting on these wider areas as part of its mechanisms for monitoring the achievement of targets for each of the key performance areas. Where the Trust identifies a risk to target achievement, it incorporates the resulting identified mitigating actions into the BAF, which enables it to identify the necessary financial resources required to implement the actions.

How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

The Finance and Investment Committee maintains and provides oversight over the activity and performance information of the organisation, to provide assurance to the Board on appropriate actions. The Committee provides scrutiny to financial and operational performance against plans and forecasts, highlighting and seeking assurance on deviation or recovery.

The Trust Board receive a finance report that includes actual financial outturn as well as the expected/projected outturn position for the financial year. The report also highlights risks to achieving the planned outturn position, any changes to the original plan and how the Trust plans to address the new risks.

During the 2020/21 financial year the Department of Health and Social Care made changes to the financial framework for all trusts as part of their response to Covid-19. Further changes are expected for the 2021/22 financial year. The Trust has recognised these changes and the accompanying uncertainty and increased risk within its BAF demonstrating how the Trust identifies significant financial pressures and builds them into their short-term and medium-term plans. The finance report to the Trust Board communicated changes to funding arrangements during 2020/21, the cost impact of Covid-19, and business as usual activity.

In response to issues raised previously; an experienced audit committee chair has been appointed in the year and training needs for other members assessed. As part of a non-executive director technical development, update sessions have started to be provided to committee members. This suite of measures has strengthened reporting and scrutiny.

The Trust has had the arrangements we would expect to see to enable to make informed decisions and properly manage its risks.

Ref: EY-0

Governance

The Trust's governance arrangements for 2020/21 have taken into account NHSE/I's 28 March 2020 guidance entitled "Reducing the burden and releasing capacity at NHS providers and commissioners to manage the COVID-19 pandemic.

How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

The Trust's BAF is refreshed annually to match its strategic aims and align to strategic priorities and risks. The BAF outlines the actions being undertaken by the Trust to provide assurance that risks are being mitigated to an acceptable level. The Board of Directors have responsibility for oversight of the BAF.

The BAF is supported by corporate and service risk registers. The risks assessed are wider than just financial, due to the nature of the Trust's activities. The Trust assesses impact of risks on a matrix of likelihood and occurrence, with a combined score produced to assess the importance of the risk. The Trust has a risk appetite statement that defines acceptable levels of risk for its activities.

The Trust has an internal audit service to help gain assurance over the effective operation of internal controls. It also has a Local Counter Fraud Specialist as part of its arrangements to prevent and detect fraud.

The Audit Committee are responsible for the adequate provision of Internal audit and counter fraud with input from the Interim Director of Finance. Trust management is responsible for responding to the internal audit and counter fraud findings appropriately and in a timely manner with appropriate challenge from the Audit Committee.

The Audit Committee reviews the establishment and maintenance of the Trust's system of governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical) that support the achievement of the organisation's objectives. In particular, the Committee:

- Monitors and scrutinises the approved risk management framework to ensure that Trust policies, systems and processes are effective in the management of all risks within the Trust and escalating risk management issues appropriately. This includes routine deep dives into specific risk register areas in order to gain assurance on the risk management process.
- Reviews and approves the Internal Audit strategy, operational plan and more detailed programme of work, ensuring that this is consistent with the audit needs of the organisation.
- Considers the major findings of internal audit work (and management's response), their implications and monitor progress on the implementation of recommendations.

In response to issues raised previously; an experienced audit committee chair has been appointed in the year and training needs for other members assessed. As part of a non-executive director technical development, update sessions have started to be provided to committee members. This suite of measures has strengthened reporting and scrutiny.

Ref: EY-0

Governance (continued)

How the body approaches and carries out its annual budget setting process

The Trust Board normally approve a budget proposal each year prior to 1 April. This would be proposed by the Executive Team after a budget setting exercise where priorities would have been agreed considering forecast activity levels and taking account of funding available, together with an efficiency target. Funding levels would have been negotiated using the National Guidance on contracting arrangements including items such as inflation levels, incentive schemes (e.g., CQUIN) and efficiency levels.

The Covid-19 pandemic has significantly impacted on 'normal' planning and contracting arrangements with NHSE guidance being published at the end of March 2021. The commissioning and contracting arrangements remaining suspended for the first half of 2021/22, although the Trust continued engagement with the West Yorkshire Integrated Care System to ensure that they are informed of the financial position and challenges.

For April – September 2021 the Trust will receive 'block' funding for NHS services in a similar manner to the arrangements for the latter half of 2020/21. This will include a 'top-up' allocation designed to mitigate the additional costs of Covid, received through the Trust's allocated Integrated Care System.

Based on these principles the Trust have modelled their budget for the six-month period and compared expenditure run-rates to actuals in the period October 2020 to March 2021.

There is no current published guidance for the second half of 2021/22, but the Trust expect that there will be a return to more 'typical' contracting and commissioning regimes which. The Trust have established a strategic approach to financial planning. The Trust's Finance Team have worked with budget holders to carry out it's normal 'bottom up' budget setting exercise.

How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed.

The Trust's Standing Financial Instructions (SFIs) detail the financial responsibilities, policies and procedures adopted by the Trust. They are designed to ensure that the Trust's financial transactions are carried out in accordance with the law and with Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. The SFIs set out the procedures concerning forward plans, budgets, budgetary control and monitoring, procurement, banking, losses and controls over income and expenditure transactions. The Interim Director of Finance reports to the Finance and Investment Committee that oversee and ensure that effective processes and systems are in place to ensure budgetary control.

Governance (continued)

This is evident through the finance reporting to the Trust Board on actual financial outturn as well as the expected/projected outturn position for the financial year. The report also highlights risks to achieving the planned outturn position, any changes to the original plan and how the Trust plans to address the new risks.

The Trust Board receives the Integrated Performance Report for each meeting, this reports on key performance areas including Workforce, Finance and Patient related metrics. The Trust's financial plans include reporting on these wider areas as part of its mechanisms for monitoring the achievement of targets for each of the key performance areas. Where the Trust identifies a risk to target achievement, it incorporates the resulting identified mitigating actions into the BAF, which enables it to identify the necessary financial resources required to implement the actions.

How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee.

The effective operation of the Board, supported with regular, clear and relevant information, is the Trust's key tool for ensuring that it makes properly informed decisions. Published Board papers are presented with header sheets that provide consideration of the key elements of the Trust strategic aims the report relates to, demonstrating the Board is informed of the relevant areas in making decisions. These executive summaries also draw out the implications in terms of legislation, regulation and resources. The minutes evidence the challenge made by non-executive members and the transparency in decision making.

All items concerning finance must be carried out in accordance with the Standing Financial Instructions and Standing Orders. All decisions must be taken in line with these documents; if not, the decision cannot be considered to be valid.

The Trust Chair's role is to lead the Board, ensuring its effectiveness on all aspects of its role. This includes ensuring the provision of accurate, timely and clear information to all Board members to enable decision making and effective assurance mechanisms.

The Audit Committee meets quarterly, is comprised of appropriately skilled and experienced members, and constituted to provide the Trust Board with an independent and objective review on its financial systems, financial information and compliance with laws, guidance, and regulations governing the NHS.

In response to issues raised previously; an experienced audit committee chair has been appointed in the year and training needs for other members assessed. As part of a non-executive director technical development, update sessions have started to be provided to committee members. This suite of measures has strengthened reporting and scrutiny.

Ref: EY-0

Governance (continued)

How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests).

The Trust Board is responsible for ensuring the delivery of high-quality care that is as safe and effective as possible, with patients treated with compassion, dignity and respect. The Trust's Quality Committee provide assurance to the Trust Board that the essential standards of quality and safety are being delivered by the organisation. It also provides assurance that the processes for the governance of quality are embedded throughout the organisation.

The Quality Committee oversee an annual programme to provide the Trust Board with a means of independent and objective review of the assurance processes and risk management across the whole of the Trust's activities in support of clinical effectiveness, patient safety and patient experience.

The Board have a responsibility to develop and maintain a policy on standards of business conduct and acceptance of gifts and other benefits in kind by staff. The Trust maintains a Gifts and Hospitality Register and delegated approvals arrangements for Gifts/Hospitality which exceeds the limit of £25. The Gifts and Hospitality Register is reported to the Audit Committee.

The Trust has policies and procedures in place to ensure that staff operate in accordance with relevant legislative and regulatory requirements. These policies and procedures are reviewed and revised regularly.

The Trust maintains a Declaration of Interest Register and annual declarations of interests are collected from the Trust executive and non-executive directors.

The Trust has taken actions to increase awareness of the Freedom To Speak Up (FTSU) Guardian in the period; external advisers have been utilised with a number of reviews performed in the year around culture and organisational development with lessons learnt sessions being held with staff in key areas. Staff have been reminded of responsibilities to behave in line with the YAS Values and Behaviours Framework.

The Trust has had the arrangements we would expect to see to enable it to use information about its costs and performance to improve the way it manages and delivers services.

Ref: EY-0

Improving economy, efficiency and effectiveness

How financial and performance information has been used to assess performance to identify areas for improvement.

The Trust reports to each Board meeting on key performance areas including Workforce, Finance and Patient related metrics. The Trust's financial plans include reporting on these wider areas as part of its mechanisms for monitoring the achievement of targets for each of the key performance areas. Where the Trust identifies a risk to target achievement, it incorporates the resulting identified mitigating actions into the BAF, which enables it to identify the necessary financial resources required to implement the actions.

The reports clearly outline performance against planned targets and outcomes. Depending on the performance area, a Board committee will have oversight of the actions being identified and taken to address areas where performance is below plan. Each committee has a process in place for monitoring agreed actions and these are then included in subsequent Board reports.

How the body evaluates the services it provides to assess performance and identify areas for improvement

The Trust's vision is underpinned by four ambitions:

- Patients and communities experience fully joined up care responsive to their needs.
- YAS people feel empowered, valued and engaged to performance at their best.
- YAS achieve excellence in everything it does.
- · Resources are used wisely to invest in and sustain services.

The Trust translates this into an annual operating plan including the financial plans for enabling sustainable delivery of services. This forms the basis of monthly Trust Board reporting and the integrated performance report.

The Trust has aligned its financial plans with its strategy which is a key enabler of delivering its strategic plan, operational plans, statutory duties and to help delivery the NHS Long Term Plan ambition to place ambulance services at the heart of urgent and emergency care.

The Trust has multiple enabling strategies to support delivery of the overall corporate strategy. They all contribute to the achievement of goals and the overarching vision.

Ref: EY-0

Improving economy, efficiency and effectiveness (continued)

The Trust reports to each Board meeting on key performance areas including Workforce, Clinical and Finance. The Trust's financial plans include reporting on these wider areas as part of its mechanisms for monitoring the achievement of targets for each of the key performance areas. Where the Trust identifies a risk to target achievement, it incorporates the resulting identified mitigating actions into the BAF, which enables it to identify the necessary financial resources required to implement the actions.

The Trust publishes an Annual Report and Quality Account that report on the Trust's Performance against objectives.

How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve;

The Trust has identified partnership working and its ability to embed the Trust within the changing system to support delivery of the NHS Long Term Plan as a risk on the Board Assurance Framework – "Patients and communities experience fully joined up care responsive to their needs". The Trust works with a number of Sustainability and Transformation Partnerships and Integrated Care Systems, as well as a large range and number of stakeholders and local plans or system engagement that the Trust should be involved within. The Trust works closely with the West Yorkshire ICS.

As an Ambulance Service, the Trust recognises the opportunity for both strategic and local partnerships. They deliver locally commissioned schemes to support community priorities and to support patient care, working with local acute and secondary care services, community health, primary care, mental health, social care partners and with the voluntary sector. They also actively collaborate with Blue Light service partners.

Improving economy, efficiency and effectiveness (continued)

How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits.

The Interim Director of Finance has responsibility for monitoring compliance with Public Contract Regulations 2015 and any relevant Public Procurement Policy Notice's including publishing all Contracts above £25,000 on Contracts Finder. Compliance with procurement legislation is incorporated into the Trust's Standing Orders, Standing Financial Instructions and Procurement Strategy. These are available to staff members of the Trust via the intranet.

The Trust Board has a standing item to review procurement items for approval. The Procurement Strategy and contract waivers is reviewed and monitored by the Audit Committee.

The contract waivers report to the Audit Committee includes a detailed breakdown of the number of waivers against the reason code for each Directorate for the financial year, including identification of the largest producer of waivers by number, and by value. The group discussed the highest areas of waiver utilisation and reasons including timescales for procurement and Covid-19 impact.

Quality Cost Improvement Programme savings targets are set and monitored to assess whether the Trust is realising the expected benefits from procurement arrangements.

Forward look

Looking forward in 2021 and beyond, the Trust is taking steps to support greater collaboration with partners within the Integrated Care System (ICS) as it matures.

The Trust is working as part of the local Integrated Care System (ICS) and planning budgets and forecasts for the 2021-22 year on the latest available information and assumptions for arrangements for the second half of 2021-22 and future years. As these arrangements have not yet been formalised the Trust will need to revisit and maintain the Medium Term Financial Plan and monitor savings requirements and achievement as part of securing financial sustainability in the longer term.

The Trust faces further challenge and change beyond 2021 which will form part of our 2021/22 VFM arrangements work.

Ref: EY-0

Section 5

Other Reporting Issues

Department of Health and Social Care /NHSI England Group Instructions

We are only required to report to the NAO on an exception basis if there were significant issues or outstanding matters arising from our work. There were no such issues.

Governance Statement

We are required to consider the completeness of disclosures in the Trust's governance statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it complies with relevant guidance.

We completed this work and did not identify any areas of concern.

Referral to Secretary of State

We must report to the Secretary of State any matter where we believe a decision has led to, or would lead to, unlawful expenditure, or some action has been, or would be, unlawful and likely to cause a loss or deficiency. We had no exceptions to report.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Trust or brought to the attention of the public.

We did not identify any issues which required us to issue a report in the public interest.

Other powers and duties

Ref: EY-0

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014

Control Themes and Observations

As part of our work, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control identified during our audit.

We have adopted a fully substantive approach and have therefore not tested the operation of controls.

Our audit did not identify any controls issues to bring to the attention of the Audit Committee.

Appendices

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Ref: EY-000092651-01

Our fee for 2020/21 is in line with the audit fee reported in our Audit Results Report.

	Final Fee 2020/21	Planned Fee 2020/21	Final Fee 2019/20
Description	£	£	£
Opinion Audit and VfM Conclusion	£120,000	£120,000	£149,200
WGA Assurance Work	£5,000		
Total Audit Fee	£125,000	£120,000	£149,200

We confirm we have not undertaken any non-audit work.

Audit Certificate (Draft)

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF YORKSHIRE AMBULANCE SERVICE NHS TRUST

Issue of audit opinion on the financial statements

In our audit report for the year ended 31 March 2021 issued on 25 June 2021 we reported that, in our opinion, the financial statements:

- gave a true and fair view of the financial position of Yorkshire Ambulance Service NHS Trust as at 31 March 2021 and of its expenditure and income for the year then ended; and
- had been prepared properly in accordance with the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012) and the Accounts Directions issued thereunder.

Certificate

In our report dated 25 June 2021, we explained that we could not formally conclude the audit on that date until we had completed our procedures on the Trust's value for money arrangements for the year ended 31 March 2021. We have now completed our procedures and no matters have come to our attention that would have resulted in a different opinion on the financial statements or additional exception reporting on significant weaknesses in the Trust's value for money arrangements.

We certify that we have completed the audit of the accounts of Yorkshire Ambulance Service NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Janet Dawson (Key Audit Partner) Ernst & Young LLP (Local Auditor) London September 2021

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