

East of England Ambulance Service NHS Trust

Auditor's Annual Report

Year ending 31 March 2025

27 June 2025



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East of England Ambulance Service NHS Trust
Audit Committee
Whitting Way
Melbourn
Hertfordshire, SG8 6NA

27 June 2025

Dear Audit Committee Members

2024/25 Auditor's Annual Report

We are pleased to attach our Auditor's Annual Report, including the commentary on the Value for Money (VFM) arrangements for East of England Ambulance Service NHS Trust. This report and commentary explains the work we have undertaken during the year and highlights any significant weaknesses identified along with recommendations for improvement. The commentary covers our findings for audit year 2024/25.

This report is intended to draw to the attention of the Trust any relevant issues arising from our work. It is not intended for, and should not be used for, any other purpose.

We welcome the opportunity to discuss the contents of this report with you at the Audit Committee meeting on 23 July 2025.

Yours faithfully

E. Jackson

Elizabeth Jackson

For and on behalf of Ernst & Young LLP

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

This report is made solely to the **Audit Committee, Board of Directors and Management of East of England Ambulance Service NHS Trust**. Our work has been undertaken so that we might state to the **Audit Committee, Board of Directors and Management of East of England Ambulance Service NHS 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, Board of Directors and Management of East of England Ambulance Service NHS Trust** for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01 Executive Summary

Executive Summary

Purpose

The purpose of the Auditor's Annual Report is to bring together all of the auditor's work over the year and the value for money commentary, including confirmation of the opinion given on the financial statements; and, by exception, reference to any reporting by the auditor using their powers under the Local Audit and Accountability Act 2014. As set out in the Code of Audit Practice 2024 (the 2024 Code) issued by the National Audit Office (NAO) and the accompanying Auditor Guidance Note 3 (AGN 03), this commentary aims to highlight to the Trust, and the wider public, relevant issues identified during our audit. It includes the recommendations arising from our current year's audit as well as a follow-up on recommendations issued in previous years. Additionally, it includes our assessment of whether previous recommendations have been satisfactorily implemented.

Responsibilities of the appointed auditor

We have undertaken our 2024/25 audit work in accordance with the Audit Plan that we issued on 10 February 2025. We have complied with the National Audit Office's (NAO) Code of Audit Practice 2024, other guidance issued by the NAO and International Standards on Auditing (UK).

As auditors we are responsible for:

Expressing an opinion on:

- The 2024/25 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 and NHS England if we have concerns about the legality of transactions or decisions taken by the Trust;
- Any significant matters or written recommendations that are in the public interest; and
- If we identify a significant weakness in the Trust's arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

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.

Executive Summary (cont'd)

2024/25 conclusions

Financial statements	Unqualified - the financial statements give a true and fair view of the financial position of the Trust as at 31 March 2025 and of its expenditure and income for the year then ended. We issued our audit report on 19 June 2025.
Parts of the remuneration report and staff report subject to audit	Our work in this area identified amendments required to the disclosures in the narrative, salary and pensions tables. This was corrected in the audited remuneration report. No other matters were identified.
Consistency of the other information published with the financial statement	Financial information in the Annual Report and published with the financial statements was consistent with the audited accounts.
Value for money (VFM)	We identified a significant weakness that impacted on two VFM criteria and therefore reported by exception on the Trust's VFM arrangements. We have included our VFM commentary in Section 03.
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 one referral to the Secretary of State on 19 June 2025, issuing a section 30 notice as the Trust did not achieve its statutory break-even duty. There is a requirement for NHS Trusts to meet the breakeven duty over a default rolling three-year period. NHS England agreed to extend this period to five years in 2024. However, based on our review of the financial plan submission for 2025/26, including the Cost Improvement Programme (CIP) targets, and taking in to account the cumulative deficit, it is not likely that the Trust can meet this duty by the end of 2025/26.
Public interest report and other auditor powers	We had no reason to use our auditor powers.

Executive Summary (cont'd)

2024/25 conclusions (cont'd)	
Reporting to the Trust on its consolidation schedules	We concluded that the Trust's consolidation schedules agreed, within a £495,000 tolerance, or £300,000 tolerance for losses and special payments, gifts and contingent liability disclosures, to the audited financial statements.
Reporting to the National Audit Office (NAO) in line with group instructions	We have reported to the NAO in line with their group instructions.
Certificate	We cannot formally conclude the audit and issue an audit certificate until the NAO, as group auditor, has confirmed that no further assurances will be required from us as component auditors of East of England Ambulance Service NHS Trust.

Executive Summary (cont'd)

Value for money scope

Under the 2024 Code, we are required to consider whether the East of England Ambulance Service NH Trust has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the East of England Ambulance Service NH Trust a commentary against specified reporting criteria (see below) on the arrangements the East of England Ambulance Service NH Trust has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

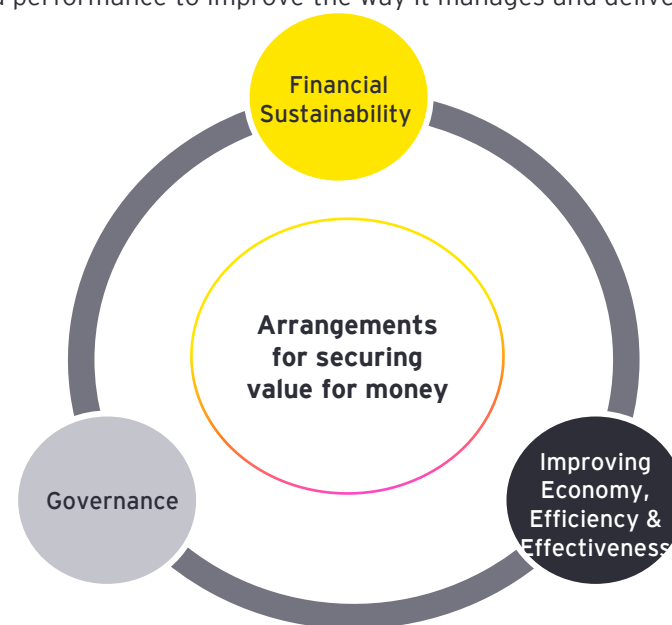
We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's opinion on the financial statements.

The specified reporting criteria are:

- 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.
- 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.

In undertaking our procedures to understand the Trust's against the specified reporting criteria, we identify whether there are risks of significant weakness which require us to complete additional risk-based procedures. AGN 03 sets out considerations for auditors in completing and documenting their work and includes consideration of:

- our cumulative audit knowledge and experience as your auditor;
- reports from internal audit which may provide an indication of arrangements that are not operating effectively;
- our review of Trust committee reports;
- meetings with the key finance officers;
- information from external sources; and
- evaluation of associated documentation through our regular engagement with Trust management and the finance team.



Executive Summary (cont'd)

Reporting

Our commentary for 2024/25 is set out in Section 03. The commentary on these pages summarises our understanding of the arrangements at the Trust based on our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2024/25. We include the associated recommendations we have agreed with the Trust in Appendix A and B.

In accordance with the 2024 Code, we are required to report a commentary against the three specified reporting criteria. The table below sets out the three reporting criteria, whether we identified a risk of significant weakness as part of our planning procedures, and whether, at the time of this report, we have concluded that there is a significant weakness in the body's arrangements.

Reporting criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the Trust plans and manages its resources to ensure it can continue to deliver its services	One significant risk identified	No significant weakness identified
Governance: How the Trust ensures that it makes informed decisions and properly manages its risks	One significant risk identified	Significant weaknesses identified in respect of the Care Quality Commission (CQC) inspection findings, including a Section 29A warning notice and a Section 64 letter issued to the Trust
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	One significant risk identified	Significant weaknesses identified in respect of the Care Quality Commission (CQC) inspection findings, including a Section 29A warning notice and a Section 64 letter issued to the Trust

Executive Summary (cont'd)

Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Trust, and its members and senior management and its affiliates, including all services provided by us and our network to the Trust, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

EY Transparency Report 2024

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2024:

[EY UK 2024 Transparency Report | EY - UK](#)



02 Audit of Financial Statements

Audit of Financial Statements

Key findings

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 19 June 2025, we issued an unqualified opinion on the financial statements. We reported our audit scope, risks identified and detailed findings to the 18 June 2025 Audit Committee meeting in our Audit Results Report. We outline below the key issues identified as part of our audit. We reported four internal control recommendations and areas for improvement in the control environment in our Audit Results Report.

Financial statement risks	
Significant risk	Conclusion
Misstatements due to fraud or error - Management override of controls	We have not identified any instances of inappropriate judgements or estimates being applied. Our work did not identify any other transactions during our audit which appeared unusual or outside the Trust's normal course of business.
Misstatements due to fraud or error - capitalisation of revenue expenditure	Our work did not identify any material weaknesses in controls or evidence of material management override concerning the capitalisation of revenue expenditure. Our work did not identify any instances of inappropriate judgements being applied. However, we have identified that during the year, the Trust capitalised a total of £0.29 million of staff costs which were allocated to various projects. The Trust has not been able to provide sufficient evidence to support the accounting treatment of these costs in accordance with IAS 16 Property, Plant and Equipment. We have made a recommendation for a robust monitoring process to be put in place to strengthen the documentation in support of capitalising these costs. We are satisfied that there was no indication of management override or fraud on this area.
Misstatements due to fraud or error - Accounts payable manual accruals	We did not identify any material weaknesses in controls or evidence of material management override concerning the accounts payable manual accruals. We have not identified any instances of inappropriate judgements or estimates being applied. Our work did not identify any misstatements.



03 Value for Money Commentary

Value for Money Commentary

Financial sustainability: How the Trust plans and manages its resources to ensure it can continue to deliver its services

No significant weakness identified

Risk of significant weakness - Financial planning for 2024/25 and cumulative breakeven position

The Trust remains in a cumulative deficit position in 2024/25:

- Breakeven duty cumulative position: £3.399 million deficit
- Cumulative breakeven position as a percentage of operating income: -0.7%.

The 'Statutory breakeven duty: a guide for NHS trusts' dated April 2018 sets out the requirement for NHS Trusts to meet the breakeven duty over a rolling three-year period and the Trust has failed to meet this duty.

Although the Trust received confirmation from NHS England in May 2024 extending the breakeven rolling period to five years, we assessed the likelihood of the Trust turning around its cumulative deficit position by 31 March 2026, taking into account the challenges present in the financial forecasts. The Trust's 2025/26 financial plan forecasts a £0.108 million surplus, which will bring the cumulative deficit position to £3.291 million. Along with this, the Trust has set a savings target of £14.9 million in 2025/26, which is a significant target for it to achieve.

The Trust's achievement of the breakeven position planned for 2024/25:

The Trust had appropriate arrangements in place for meeting the planned breakeven position in 2024/25, reporting an outturn surplus of £2.026 million for 2024/25. The Trust achieved a CIP of £16.3 million in 2024/25 against a target of £16.2 million (£0.1 million ahead of plan). The Trust's financial governance system covers budget planning, procurement and accounting. It is delivered through the Performance and Finance Committee and Audit Committee.

The Trust's Performance and Finance Committee maintains and provides oversight over the activity and performance information of the organisation, including capital development, 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.
- Budget planning process.
- Activity against contractual plans.
- Delivery of operational performance in relation to all operational contracts and national requirements.

The Performance and Finance Committee and Audit Committee report quarterly to the Trust Board.

Value for Money Commentary (cont'd)

Financial sustainability: How the Trust plans and manages its resources to ensure it can continue to deliver its services (cont'd)

No significant weakness identified

Financial planning approach for 2025/26, including the Cost Improvement Programme (CIP) target:

The Chief Executive is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the Annual Business Plan and setting a balanced budget. The CIP is developed through the Trust's programme gateways ahead of the new financial year and in line with budget setting. All CIP plans have a reviewed and approved quality impact assessment, where risks and mitigating actions are identified prior to the scheme being able to proceed. The Performance and Finance Committee scrutinises the Trust's CIP and reviews delivery of this programme which is supported by Quality Impact Assessments.

The Performance and Finance Committee scrutinises the Trust's CIP and reviews delivery of this programme. The Trust achieved a CIP of £16.3 million in 2024/25 against a target of £16.2 million (£0.1 million ahead of plan). The CIP target for 2025/26 is planned at £14.9 million, 98% of which is recurrent in nature. These recurrent elements relate to restructuring programmes and productivity improvement programmes. This is a significant change from 2024/25, where only 11% was recurrent in nature. This change will strengthen the position of the Trust in the future in terms of addressing shortfalls from previous years. The Trust also has monthly monitoring in place to assess how they are delivering against targets.

The Trust's arrangements for monitoring the financial position within the context of the local Integrated Care Systems they are part of:

The Trust is committed to improving relationships with system partners via the Fit for the Future Improvement Programme. The vehicle for this work is the Business and Partnerships Development Group, encompassing the integrated partnerships agenda, business development and commercial activity to create a coordinated and coherent ICS Partnerships Strategy, co-produced alongside stakeholders and commissioners. The Trust continues to make good progress on the Fit for the Future programme, this includes the introduction of the Time to Lead programme and Clinical Strategy 2023 to 2026. These aim to improve performance of the Trust by focusing on leadership development, making better use of Trust's resources, supporting and empowering the workforce, and working closely with partners, particularly integrated care boards, as part of a system.

Value for Money Commentary (cont'd)

Financial sustainability: How the Trust plans and manages its resources to ensure it can continue to deliver its services (cont'd)

No significant weakness identified

Conclusion: Based on the work performed, the Trust had proper arrangements in place in 2024/25 to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

Despite the requirement to issue a Section 30 referral letter to the Secretary of State for Health and Social Care, given that the Trust is expected to report a cumulative deficit in the financial year ending 31 March 2026 which will result in failure to meet its break-even duty over a rolling five-year period, the Trust has appropriate arrangements in place to monitor the budget and savings target to understand in a timely manner that variances have arisen. Therefore, we have concluded that this does not impact on the arrangements in place for Financial Sustainability.

Recommendation: The Trust needs to continue monitoring the budget and take appropriate action to mitigate any variances from budget. This includes monitoring implementation of the Cost Improvement Programme to ensure delivery of the £14.9 million target for 2025/26 is on track throughout the year.

Value for Money Commentary (cont'd)

Governance: How the Trust ensures that it makes informed decisions and properly manages its risks

Significant weaknesses identified

Overall governance arrangements

The Trust's Annual Governance Statement sets out the core governance arrangements that are in place for the year. The primary oversight in relation to making decisions and managing risk lies with the Trust Board, with some delegated responsibilities (such as financial management and risk management) to the Audit Committee and the Performance and Finance Committee. As set out in the constitution, the Trust Board has the overall duty to establish and maintain the strategic direction of the Trust. It agrees the vision, strategy and policy, and agrees a forward plan with clear objectives to deliver the organisation's purpose. It is accountable for governing the organisation and holds the Executive and its members to account for the delivery of strategy. It must also be risk-aware and receive assurance about progress against its corporate aims and objectives. We have not identified any issues in relation to the Trust Board meeting the requirements of the Constitution.

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. The Board Assurance Framework (BAF) outlines the material risks identified to the Trust's ability to achieve its strategic objectives, and the view of assurance across the Trust's risk environment. This is reviewed annually, at each of the Board sub-committees, to ensure alignment with any changes to revised risks and strategic objectives. Assurance concerns are escalated to the Audit Committee, and then to the Trust Board.

The Trust has appointed internal auditors to provide the Board with independent assurance of its internal control process. The Head of Internal Audit Opinion for 2024/25 concluded that the Trust has 'reasonable and effective risk management, control and governance processes in place'. Internal Audit carried out 10 reviews during the year to support the overall opinion with assurance ratings as follows: 7 reasonable and 3 limited. 96 recommendations were raised on work carried out in 2024/25: 3 urgent, 40 important and 53 routine. The implementation of recommendations is monitored by the Audit Committee. Internal Audit also carried out an advisory review around the CQC and exiting the special measures support programme.

The Trust's operational performance is monitored internally through its Integrated Performance Reporting (IPR), which reports 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. If there are any significant financial pressures identified or areas of non-financial performance which are not in line with expectations, the Trust will ensure action is taken and the BAF updated to reflect the changing risk profile.

Value for Money Commentary (cont'd)

Governance: How the Trust ensures that it makes informed decisions and properly manages its risks

Significant weaknesses identified

Risk of significant weakness - CQC inspection findings

The Care Quality Commission (CQC) carried out a focused inspection in November 2024 of the Trust's Emergency Operations Centre sites in Bedford, Chelmsford and Norwich. Following the inspection, the CQC issued a warning notice under Section 29A of the Health and Social Care Act 2008 on 23 January 2025 against the Trust for failing to meet service requirements on various areas.

The notice served was based on CQC's concerns over the following areas:

- The service did not ensure that staff kept up-to-date with their mandatory training.
- Waiting times for calls were below national standards which meant the service did not ensure people could access the service when they needed it.
- The service did not have enough staff to keep service users safe from avoidable harm and/or provide the right care and treatment.
- The service had cultural issues across the three Emergency Operations Centre sites and the Emergency and Urgent Care sites.
- Not all controlled medicine incidents were investigated, appropriate action taken and recorded to mitigate further risks or lessons identified to improve future practice.
- Ambulance station areas did not all adequately act on information about staff opinion of the service to develop and take actions for improvement.

Along with the warning notice, on 27 January 2025, CQC issued a Section 64 letter identifying a breach of Regulation 17 and 12 of Health and Social Care Act 2008 during the inspection:

- Regulation 17 (Good Governance)
- Regulation 12 (Safe care and treatment)

The CQC found that the Trust's systems and processes failed to ensure compliance with the Regulations and identify issues that may have impacted people's safety. This indicated that people using the Trust's service did not consistently receive a standard of care and support that was safe and appropriate to their needs.

Findings:

As indicated in the Section 29A warning notice issued by CQC, the Trust was required to make significant improvements in the Emergency Operations Centre sites and Emergency and Urgent Care sites by 21 April 2025. If significant improvements were not demonstrated by that date, CQC would consider recommending to the Secretary of State to appoint a special administrator to monitor the Trust's actions and progress in addressing the findings noted in their inspection, in the interests of the health service because of the serious failure.

Value for Money Commentary (cont'd)

Governance: How the Trust ensures that it makes informed decisions and properly manages its risks

Significant weaknesses identified

Along with the warning notice, CQC issued a Section 64 letter identifying a breach of Regulation 17 and 12 of Health and Social Care Act 2008 during the inspection. There were specific concerns regarding the Trust's failure to adhere to the national standard for Category 2 (emergency situations requiring rapid assessment) response times, which is set at 30 minutes. Between October 2023 and October 2024, the service's response times fell short of the expected targets. The average response times varied, reaching 33 minutes and 38 seconds in August 2024 and 51 minutes and 32 seconds in October 2024, corresponding to 71.18% and 52.56% compliance, respectively. Since the CQC's last inspection in April and May 2022, where the Trust's Category 2 response times were falling far below the national standards expected, the CQC noted that the Trust have made some improvements. However, the changes implemented since the inspection in 2022 have not become embedded in the service and CQC were not assured that improvements will continue or be sustained.

The Trust developed an action plan, which was agreed with CQC, to address the issues noted. Regular meetings were held to discuss the Trust's progress on the action plan and improvements made as part of the monthly Rapid Quality Review. These meetings are attended by ICB Quality Leads, NHS England, and representatives from CQC. In addition, this is closely monitored through governance framework, including reporting to the Trust Board.

At the Rapid Quality Review held in April 2025, CQC have acknowledged the improvements made by the Trust as of that date. However, they have also recognised the challenges in relation to sustaining these improvements. The Trust has developed an exit criteria strategy detailing required actions to address all the concerns raised by CQC, and the expected timeline these actions will be achieved by (September 2025). The Trust plans to present and agree this strategy with CQC in mid-June 2025. The CQC have not issued any recommendation to the Secretary of State, at this stage, given the improvements demonstrated by the Trust.

Conclusion: Based on the work performed, we have identified a significant weakness in the arrangements in relation to Governance. The Trust has plans in place, and continues to implement improvement actions, to address the findings from the focused inspection. Although the Trust has made good progress on the action plans, as acknowledged by CQC, there were still weaknesses in the arrangements at 31 March 2025 as the warning notice remains in place and the Trust remains in breach of the Health and Social Care Act 2008. There remains evidence of a significant weakness in arrangements during 2024/25 that:

- Could reasonably lead to significant impact on the quality and effectiveness of the service, and the body's reputation; and
- Identifies a failure to take action to address CQC findings and achieve planned progress on improvement plans to achieve exit criteria requirements.

Recommendation: The Trust should continue to engage with the CQC and closely monitor its delivery of plan to ensure that sufficient change and improvements are being made.

Value for Money Commentary (cont'd)

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

Significant weakness identified

Overall improving economy, efficiency, and effectiveness arrangements

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 Board Assurance Framework, which enables it to identify the necessary financial resources required to implement the actions.

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

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.

The Trust currently operates across the six East of England local Integrated Care Boards (ICB). As part of the six ICBs, the Trust has a key role in effectively working in partnership with other health care providers and commissioners to deliver joined-up care for patients across this large geographical area. The Chief Executive and Director of Finance and Commissioning liaises with NHSE and their peers across all the ICBs. This requires strong relationships to be in place to ensure the system financial position is delivered as planned, as well as the Trust's delivery of their share of the position, and the Trust has built productive working relationships during the year.

The Director of Finance & Commissioning 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.

Value for Money Commentary (cont'd)

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

Significant weakness identified

Our audit work on the Trust's contract register identified that the main contract was not signed by the Trust. Further, the contract variation in place to account for the changes in contract values initially agreed was not signed by both parties. We have made a recommendation in Appendix B in respect of this internal control weakness.

Risk of significant weakness - CQC inspection findings

The risk arising in relation to the Governance criteria also impacted on the Improving Economy, Efficiency and Effectiveness criteria. Full commentary on the CQC inspection findings is included in pages 18 to 19 of this report. Below we have set out specific issue in relation to this criteria.

The Section 64 letter issued by CQC raised specific concerns regarding the Trust's failure to adhere to the national standard for Category 2 (emergency situations requiring rapid assessment) response times. Since the CQC's last inspection in April and May 2022, where the Trust's Category 2 response times were falling far below the national standards expected, the CQC noted that the Trust has made some improvements. However, the changes implemented since the inspection in 2022 have not become embedded in the service and CQC were not assured that improvements will continue or be sustained. The main function of the Trust is as an Ambulance Service - so response times is critical to the Trust so the fact that they are not meeting the required response times is a significant weakness in terms of the Trust's arrangements.

Conclusion: Based on the work performed, we have identified that there is a lack of effective performance measurement systems to track response times, along with the lack of continuous improvement in practices since the last CQC inspection, which indicate a significant weakness in the Trust's arrangements for improvement specifically in the improving economy, efficiency. In particular, how it evaluates the services it provides to assess performance and identify areas for improvement. We have raised a recommendation on these weaknesses identified as indicated in the Governance criteria, therefore we have not repeated the recommendation here.



04 Appendices

Appendix A – Recommendations

Recommendations from 2024/25

The table below sets out the recommendations arising from the value for money work for the year 2024/25. All recommendations have been agreed by Management.

Issue	Recommendation	Management response
Financial Sustainability	The Trust needs to continue monitoring the budget and take appropriate action to mitigate any variances from budget. This includes monitoring implementation of the Cost Improvement Programme to ensure delivery of the £14.9 million target for 2025/26 is on track throughout the year.	
Governance and Improving economy, efficiency and effectiveness	The Trust should continue to engage with the CQC and closely monitor its delivery of plan to ensure that sufficient change and improvements are being made.	

Appendix A – Recommendations (cont'd)

Recommendations from 2024/25

The table below sets out the recommendations arising from the financial statements work for the year 2024/25. All recommendations have been agreed by Management.

Issue	Recommendation	Management response
Contracts	We recommend that going forward, the Trust should ensure that signed contracts (including variation contracts) are in place in line with NHS Standard Contract Guidance.	
ISA 315 findings (access controls and segregation of duties)	The Trust should limit, or not allow, business transactions to be processed by the system administrators. A good system would separate maintenance of the system, posting entries and processing of the transactions.	
Remuneration Report and Annual Report	The Trust should meet the suggested deadlines indicated in the year-end accounts timetable to ensure sufficient time for review by the Audit Committee and avoid delays in the audit so that reporting deadlines are met.	
PPE additions	The Trust should have a robust process in place to monitor staff hours allocated to the capital projects to ensure that there is sufficient and appropriate evidence to support the capitalisation of these costs.	

Appendix B – Recommendations

Recommendations brought forward from previous years

The table below sets out the recommendations arising from the value for money work in the prior year, 2023/24, and progress made in the current year. All recommendations have been agreed by Management.

Issue	Recommendation	Progress made in 2024/25
Financial sustainability	<ul style="list-style-type: none">• The Trust needs to continue monitoring the budget closely on a monthly basis and take appropriate action to mitigate any variances from budget.• The Trust must successfully implement the new Cost Improvement Programme to ensure delivery of the £16.2 million target for 2024/25. As part of this implementation, the Trust needs to action all recommendations made in the Internal Audit report.• The Trust should continue to build relationships across all six ICB's to ensure the Trust is funded appropriately for the services provided.	Refer to our commentary on pages 14 to 16.
Governance	The Trust should continue to work with regulators and key stakeholders to deliver the improvement programme required to move the Trust's CQC inspection rating to an overall 'Good' and have all the conditions to their license lifted, as well as moving to level 2 of the NHS Oversight Framework.	The Trust have not had a full inspection in 2024/25. This recommendation carries forward.

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