

Annual Audit Report 2021 – Welsh Ambulance Services NHS Trust

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Summary report

About this report

- 1 This report summarises the findings from my 2021 audit work at the Welsh Ambulance Services NHS Trust (the Trust) undertaken to fulfil my responsibilities under the Public Audit (Wales) Act 2004. That Act requires me to:
 - examine and certify the accounts submitted to me by the Trust, and to lay them before the Senedd;
 - satisfy myself that expenditure and income have been applied to the purposes intended and are in accordance with authorities; and
 - satisfy myself that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- 2 I report my overall findings under the following headings:
 - Audit of accounts
 - Arrangements for securing economy, efficiency and effectiveness in the use of resources
- 3 This year's audit work took place at a time when public bodies continued responding to the unprecedented challenges presented by the COVID-19 pandemic, whilst at the same time recovering services. My work programme was designed to best assure the people of Wales that public funds are well managed. I have considered the impact of the current crisis on both resilience and the future shape of public services. I aimed to ensure my work did not hamper public bodies in tackling the crisis, whilst ensuring it continued to support both scrutiny and learning. On-site audit work continues to be restricted, and we continued to work and engage remotely where possible through the use of technology. This inevitably had an impact on how we deliver audit work but has also helped to embed positive changes in our ways of working.
- 4 As was the case in 2020, the delivery of my audit of accounts work was not without its challenges, not only in how and where we undertook the work, but also in taking account of considerations for financial statements arising directly from the pandemic. The success in delivering it reflects a great collective effort by both my staff and the Trust's officers to embrace and enable new ways of working and remain flexible to and considerate of the many issues arising.
- 5 I have adjusted the focus and approach of my performance audit work to ensure its relevance in the context of the crisis and to enable remote working. My programme of work has provided focus on themes, lessons and opportunities relating to NHS governance and NHS staff wellbeing. I have reviewed the Test, Trace, Protect programme and the rollout of the COVID-19 vaccine. My local audit teams have commented on how governance arrangements have adapted to respond to the pandemic, and the impact the crisis has had on service delivery.

- 6 This report is a summary of the issues presented in more detailed reports to the Trust this year (see **Appendix 1**). I also include a summary of the status of planned work currently being re-scoped.
- 7 **Appendix 2** presents the latest estimate of the audit fee that I will need to charge to cover the costs of undertaking my work, compared to the original fee set out in the 2021 Audit Plan.
- 8 **Appendix 3** sets out the financial audit risks set out in my 2021 Audit Plan and how they were addressed through the audit.
- 9 The Chief Executive and the Director of Finance have agreed the factual accuracy of this report. We are presenting it formally to the Audit Committee at its meeting on 3 March 2022 and it will later be received by the Trust Board at its meeting on 24 March 2022. We strongly encourage the Trust to arrange its wider publication. We will make the report available to the public on the [Audit Wales website](#) after the Board have considered it.
- 10 I would like to thank the Trust's staff and members for their help and co-operation throughout my audit.

Key messages

Audit of accounts

- 11 I concluded that the Trust's accounts were properly prepared and materially accurate and issued an unqualified audit opinion on them. My work did not identify any material weaknesses in the Trust's internal controls (as relevant to my audit). However, I placed an Emphasis of Matter paragraph in my report to draw attention to disclosures in the accounts in note 24 relating to the impact of a Ministerial Direction issued on 18 December 2019 to the Permanent Secretary of the Welsh Government.
- 12 I brought several issues to the attention of officers and the Audit Committee, which I will review and monitor as part of my audit of the 2021-22 accounts.
- 13 I identified no material financial transactions within the Trust's 2020-21 accounts that were not in accordance with authorities or not used for the purpose intended, and so I have issued an unqualified opinion on the regularity of the financial transactions within the Trust's 2020-21 accounts.
- 14 The Trust achieved financial balance for the three-year period ending 31 March 2021. The Trust has an approved three-year plan in place. I placed a substantive report on the Trust's financial statements to set out further detail on the Emphasis of Matter paragraph that I included in my audit opinion. While I did not modify my audit opinion in respect of this matter, I did place a substantive report on the Trust's financial statements.

Arrangements for securing efficiency, effectiveness and economy in the use of resources

- 15 My programme of Performance Audit work has led me to draw the following conclusions:
- the Test, Trace, Protect programme is making an important contribution to the management of COVID-19 in Wales. Whilst the programme struggled to cope with earlier peaks in virus transmission, it has demonstrated an ability to rapidly learn and evolve in response to the challenges it has faced.
 - the COVID-19 vaccination programme in Wales has been delivered at significant pace with local, national and UK partners working together to vaccinate a significant proportion of the Welsh population. A clear plan is now needed for the challenges which lie ahead.
 - all NHS bodies have maintained a clear focus on staff wellbeing throughout the pandemic and implemented a wide range of measures to support the physical health and mental wellbeing of their staff during the crisis. It is vital that these activities are built upon, and that staff wellbeing remains a central priority for NHS bodies as they deal with the combined challenges of recovering services, continuing to respond to the COVID-19 pandemic, and also managing seasonal pressures.
 - the Trust has continued to adapt and refine its planning approach to respond to new requirements, the challenges of the COVID-19 pandemic and maintain oversight of its long-term ambitions. However, as a result of operational pressures some aspects of monitoring and reporting of plan progress were paused or altered during the year and there is scope to clarify these arrangements going forward.
 - the Trust continues to improve governance and risk management arrangements. However, internal and external factors are putting services under severe pressure which presents risks to patient safety and delivery of agreed plans for service transformation.
 - the Trust continues to meet its financial duties and has appropriate arrangements for monitoring and reporting its finances.
- 16 These findings are considered further in the following sections.

Detailed report

Audit of accounts

- 17 This section of the report summarises the findings from my audit of the Trust's financial statements for 2020-21. These statements are how the organisation shows its financial performance and sets out its net assets, net operating costs, recognised gains and losses, and cash flows. Preparing the statements is an essential element in demonstrating the appropriate stewardship of public money.
- 18 My 2021 Audit Plan set out the financial audit risks for the audit of the Trust's 2020-21 financial statements. **Exhibit 4 in Appendix 3** lists these risks and sets out how they were addressed as part of the audit.
- 19 My responsibilities in auditing the Trust's financial statements are described in my [Statement of Responsibilities](#) publications, which are available on the [Audit Wales website](#).

Accuracy and preparation of the 2020-21 financial statements

- 20 I concluded that the Trust's accounts were properly prepared and materially accurate and issued an unqualified audit opinion on them. My work did not identify any material weaknesses in the Trust's internal controls (as relevant to my audit). However, I placed an Emphasis of Matter paragraph in my report to draw attention to disclosures in the accounts relating to note 24 of the financial statements which describes the impact of a Ministerial Direction issued on 18 December 2019 to the Permanent Secretary of the Welsh Government, instructing her to fund NHS Clinicians' pension tax liabilities incurred by NHS Wales bodies in respect of the 2019-20 financial year. I did not qualify my audit opinion in respect of this matter.
- 21 I brought several issues to the attention of officers and the Audit Committee which are summarised in **Exhibit 1** below.
- 22 I must report issues arising from my work to those charged with governance before I issue my audit opinion on the accounts. My Financial Audit Engagement Lead reported these issues to the Trust's Audit Committee on 3 June 2021. **Exhibit 1** summarises the key issues set out in that report.

Exhibit 1: issues identified in the Audit of Financial Statements Report

Issue	Auditors' comments
Uncorrected misstatements	<p>There is one misstatement identified within the accounts, which remains uncorrected.</p> <p>Note 23 provisions 'other provisions' is overstated by £134,000. Our review determined that the conditions of the provision, for potential staff exit packages, does not comply with those required by International Accounting Standard (IAS) 37 'Provisions Contingent Liabilities and Contingent Assets' and therefore should not have been included within the financial statements.</p>
Corrected misstatements	<p>There were initially misstatements in the accounts that were corrected by management.</p>
Other issues	<ul style="list-style-type: none"> • Assets under construction: we reported the need for the Trust continue to review and strengthen their processes to record and monitor assets under construction. • Defibrillators: we reported the need for the Trust to be able to easily identify the existence and location of all defibrillators held on the fixed asset register. • Inventories: we recommended that the Trust prepare clear and accurate working papers to support the value of inventories within the financial statements.

- 23 I also undertook a review of the Whole of Government Accounts return. I concluded that the counterparty consolidation information was consistent with the Trust's financial position at 31 March 2021 and the return was prepared in accordance with the Treasury's instructions.
- 24 My separate independent examination of the charitable funds financial statements is complete with no issues arising.

Regularity of financial transactions

- 25 I identified no material financial transactions within the Trust's 2020-21 accounts that were not in accordance with authorities or not used for the purpose intended,

and so I issued an unqualified opinion on the regularity of the financial transactions within the Trust's 2020-21 accounts.

- 26 The Trust's financial transactions must be in accordance with the authorities that govern them. It must have the powers to receive the income and incur the expenditure. Our work reviews these powers and tests that there are no material elements of income or expenditure which the Trust does not have the powers to receive or incur.
- 27 The Trust achieved financial balance for the three-year period ending 31 March 2021. The Trust has an approved three-year plan in place. I have the power to place a substantive report on the Trust's accounts alongside my opinions where I want to highlight issues. I placed a substantive report on the Trust's 2020-21 accounts to set out more detail on the Emphasis of Matter paragraph in my audit opinion.

Arrangements for securing efficiency, effectiveness and economy in the use of resources

- 28 I have a statutory requirement to satisfy myself that the Trust has proper arrangements in place to secure efficiency, effectiveness and economy in the use of resources. I have undertaken a range of performance audit work at the Trust over the last 12 months to help me discharge that responsibility. This work has involved:
- examining how NHS bodies have responded to the challenges of delivering the Test, Trace, Protect programme;
 - reviewing how well the rollout of the COVID-19 vaccination programme was progressing;
 - reviewing how NHS bodies supported staff wellbeing during the COVID-19 pandemic; and
 - undertaking a phased structured assessment of the Trust's corporate arrangements for ensuring that resources are used efficiently, effectively and economically.
- 29 My conclusions based on this work are set out below.

Test, Trace, Protect programme

- 30 My work examined how public services responded to the challenges of delivering the Welsh Government's Test, Trace, Protect Programme (TTP). As well as commenting on the delivery of TTP up to and including December 2020, my report set out some key challenges and opportunities that will present themselves as part of the ongoing battle to control COVID-19.

- 31 I found that the different parts of the Welsh public and third sector had worked together well together to rapidly build the TTP programme. The configuration of the system blended national oversight and technical expertise with local and regional ownership of the programme, and the ability to use local intelligence and knowledge to shape responses.
- 32 Arrangements for testing and contact tracing have evolved as the pandemic has progressed. But maintaining the required performance in these arrangements proved challenging in the face of increasing demand.
- 33 Despite increased testing and tracing activity, the virus continued to spread, and as in other parts of the UK and internationally, testing and tracing have needed to be supplemented with local and national lockdown restrictions in an attempt to reduce transmission rates.
- 34 While a range of support mechanisms exist, it remains difficult to know how well the 'protect' element of TTP has been working in supporting people to self-isolate.

Vaccination programme

- 35 My audit focused on the rollout of the COVID-19 programme in Wales up to June 2021, the factors that affected the rollout and future challenges and opportunities.
- 36 The vaccine programme has delivered at significant pace. At the time of reporting, vaccination rates in Wales were the highest of the four UK nations, and some of the highest in the world. The milestones in the Welsh Government's vaccination strategy provided a strong impetus to drive the programme and up to the time of reporting, the key milestones had been met.
- 37 The UK's Joint Committee on Vaccination and Immunisation guidance on priority groups was adopted but the process of identifying people within some of those groups has been challenging.
- 38 The organisations involved in the rollout have worked well to set up a range of vaccination models which make the best use of the vaccines available, while also providing opportunities to deliver vaccines close to the communities they serve.
- 39 Overall vaccine uptake to the time of reporting was high, but there was a lower uptake for some ethnic groups and in the most deprived communities. At the time of the audit, vaccine wastage was minimal, but concerns were emerging about non-attendance at booked appointments.
- 40 The international supply chain is the most significant factor affecting the rollout, with limited vaccine stock held in Wales. However, increasing awareness of future supply levels was allowing health boards to manage the vaccine rollout effectively.
- 41 As the programme moved into the second half of 2021, challenges presented themselves around encouraging take-up amongst some groups, vaccine workforce resilience and venue availability. A longer-term plan is needed to address these and other elements of the ongoing vaccination programme.

How NHS bodies supported staff wellbeing during the COVID-19 pandemic

- 42 My review considered how NHS bodies have supported the wellbeing of their staff during the pandemic, with a particular focus on their arrangements for safeguarding staff at higher risk from COVID-19.
- 43 NHS staff have shown tremendous resilience and dedication throughout the pandemic, despite facing huge strains to their mental and physical health.
- 44 The NHS in Wales was already facing a number of challenges relating to staff wellbeing prior to the pandemic, and the crisis has highlighted the importance of supporting the mental and physical health of the NHS workforce. Through my Structured Assessment work, I found that NHS bodies moved quickly at the beginning of the pandemic to enhance wellbeing initiatives to support staff through unprecedented times. As the pandemic unfolded, I found that NHS bodies in Wales implemented a range of measures to improve staff wellbeing, such as creating dedicated rest spaces, increasing mental health and psychological wellbeing provision, enhancing infection and prevention control measures, and enabling remote working.
- 45 My work also looked at how NHS bodies in Wales protected staff at higher risk from COVID-19. Amongst other safeguarding initiatives, I found that all bodies rolled out the All-Wales COVID-19 Workforce Risk Assessment Tool which identifies those at a higher risk and encourages a conversation about additional measures to be put in place to ensure staff are adequately protected. Although NHS bodies promoted and encouraged staff to complete the assessment tool, completion rates varied between NHS bodies.
- 46 While the crisis has undoubtedly had a considerable impact on the wellbeing of staff in the short term, the longer-term impacts cannot be underestimated.
- 47 With a more emotionally and physically exhausted workforce than ever, NHS bodies in Wales must maintain a focus on staff wellbeing and staff engagement to navigate through the longer-term impacts of the crisis. My report, therefore, is accompanied by a checklist which sets out some of the questions NHS Board members should be asking to ensure their health bodies have good arrangements in place to support staff wellbeing.

Structured assessment

- 48 My structured assessment work was designed in the context of the ongoing response to the pandemic. I ensured a suitably pragmatic and relevant approach to help me discharge my statutory responsibilities, whilst minimising the impact on NHS bodies as they continue to respond to the pandemic. My team undertook the work into two phases this year:

- phase 1 considered the planning arrangements underpinning the development and delivery of the operational plan for quarters three and four of 2020-21.
- phase 2 considered how corporate governance and financial management arrangements adapted over the year. Auditors also paid attention to progress made to address previous recommendations.

Operational planning arrangements

- 49 My work considered the Trust's operational planning arrangements underpinning the operational plan for quarters three and four of 2020-21. The planning framework covered the maintenance of effective and efficient operational planning arrangements in health bodies to guide their response to the pandemic as well as responding to winter pressures and laying the foundations for effective recovery of services.
- 50 My work found that the Trust has continued to adapt and refine its planning approach to respond to new requirements, the challenges of the COVID-19 pandemic and maintain oversight of its long-term ambitions. However, as a result of operational pressures, some aspects of monitoring and reporting of plan progress were paused or altered during the year and there is scope to clarify these arrangements going forward.
- 51 The Trust made a number of changes to the way it has planned during the pandemic to be able to react and respond to the challenges it faces. These included teams ('cells') that focussed on specific challenges, supported rapid decision making and informed the shorter-term planning cycles used during the year. The Trust's planning approach:
- responded to external challenges of responding to rapidly changing need for services;
 - supported internal factors such as the need to support staff-wellbeing; and
 - maintained focus on the longer-term need to transform services.
- 52 Since my initial phase 1 work, the Trust has developed its Integrated Medium Term Plan (IMTP) for 2021-2024 and is in the process of delivering it. However, pressures on ambulance services are resulting in a need to prioritise some aspects of this year's element of the plan, leaving other areas potentially delayed into next year.
- 53 During the early stages of the pandemic, some of the routine arrangements to monitor and track progress against delivery of plans, such as the Strategic Transformation Board were stood down. When I reported the phase 1 work, the Trust started to strengthen those arrangements again, with plans to bolster them supported by a Transformation Support Office, and in September 2021 revised the Terms of Reference for the Strategic Transformation Board to clarify roles and accountabilities. Progress is now reported to the Finance and Performance Committee in an IMTP Tracker and Delivery Assurance Report.

Governance arrangements

- 54 My work considered the Trust's ability to maintain sound governance arrangements while having to respond to the unprecedented challenges presented by the pandemic. The key focus of the work has been the corporate arrangements for ensuring that resources are used efficiently, effectively, and economically. We also considered how business deferred in 2020 was reinstated and how learning from the pandemic is shaping future arrangements for ensuring continued good governance and recovery.
- 55 I found that the Trust continues to improve governance and risk management arrangements. However, internal and external factors are putting services under severe pressure, which presents risks to patient safety and delivery of agreed plans for service transformation.
- 56 My work found that, overall, the Trust has continued to operate its governance arrangements appropriately, with the Board and its committees discharging their requirements. A range of activities are helping the Trust refine and improve arrangements further, including use of a committee self-assessment and board development programme. The Trust is also taking further steps to strengthen its risk management arrangements and its Board Assurance Framework.
- 57 While the governance arrangements are continuing to develop and refine, the Trust is finding itself under extreme service pressures. High levels of demand, including increased demand for 'red' calls are combined with increased pressure in wider hospital and social care settings, which is affecting hospital patient flow and resulting in prolonged handover delays. These external pressures alongside internal challenges relating to staff sickness absence, capacity planning and current working practices present higher risks of service users coming to harm.

Managing financial resources

- 58 I considered the Trust's financial performance, financial controls and arrangements for monitoring and reporting financial performance. I found that the Trust continues to meet its financial duties and has appropriate arrangements for monitoring and reporting its finances.
- 59 The Trust met its financial duties for 2020-21 and whilst it is reporting it is on track to achieve breakeven in 2021-22, it will need to closely monitor achievement of savings plans. The Trust made a small surplus of £0.07 million in 2020-21 against operating expenditure of £241.8 million. It delivered £4.3 million in savings during that financial year and the £13.8 million of COVID-19 costs were covered by the Welsh Government.
- 60 For the current year, the Trust is forecasting a balanced position between revenue and expenditure. The Trust is continuing to make the assumption that this year's COVID-19 costs will again be covered by the Welsh Government and is in regular dialogue on the latest financial position and forecasts. The year-to-date savings

performance is currently exceeding expectations, but there will be a need to maintain focus on this for the remainder of the year.

I also found that the Trust has effective financial controls, suitable arrangements for preventing and detecting fraud, and improved processes for signing off COVID-19 expenditure.

Appendix 1

Reports issued since my last annual audit report

Exhibit 2: reports issued since my last annual audit report

The following table lists the reports issued to the Trust in 2021.

Report	Date
Financial audit reports	
Audit of Financial Statements Report	June 2021
Opinion on the Financial Statements	June 2021
Performance audit reports	
Doing it Differently, Doing it Right? (Structured Assessment 2020 All-Wales themes, lessons and opportunities relating to NHS governance during COVID-19)	January 2021
Test, Trace, Protect in Wales: An Overview of Progress to Date	March 2021
Rollout of the COVID-19 vaccination programme in Wales	June 2021
Taking care of the carers? (Structured Assessment 2020 All-Wales themes, lessons and opportunities relating to NHS staff wellbeing during COVID-19)	October 2021
Structured Assessment 2021: Phase 1 Operational Planning Arrangements	May 2021
Structured Assessment 2021: Phase 2 Corporate Governance and Financial Management Arrangements	November 2021

Report	Date
Other	
2021 Audit Plan	March 2021

My wider programme of national value for money studies in 2021 included reviews that focused on the NHS and pan-public-sector topics. These studies are typically funded through the Welsh Consolidated Fund and are presented to the Public Accounts Committee to support its scrutiny of public expenditure. Reports are available on the [Audit Wales website](#).

Exhibit 3: audit work still underway

There are a number of audits that are still underway at the Trust. These are shown in the following table, with the estimated dates for completion of the work.

Report	Estimated completion date
Unscheduled care	Phase 1 – February 2022 Timing of further work included as part of the 2022 plan still to be confirmed.
Independent Examination of the Charitable Funds Financial Statements	Completed January 2022
Quality Governance	March 2022

Appendix 2

Audit fee

The 2021 Audit Plan set out the proposed audit fee which was to be confirmed due to ongoing discussions on the audit of the Charitable Funds accounts. An independent examination of the charitable funds accounts was agreed with the Trustees, so the overall fee is in line with the prior year of £151,618, (excluding VAT). My latest estimate of the actual fee is in keeping with this fee.

Appendix 3

Financial audit risks

Exhibit 4: financial audit risks

My 2021 Audit Plan set out the financial audit risks for the audit of the Trust's 2020-21 financial statements. The table below lists these risks and sets out how they were addressed as part of the audit.

Audit risk	Proposed audit response	Work done and outcome
<p>The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.31-33].</p>	<p>I will:</p> <ul style="list-style-type: none">• test the appropriateness of journal entries and other adjustments made in preparing the financial statements;• review accounting estimates for biases;• evaluate the rationale for any significant transactions outside the normal course of business; and• add additional procedures to address any specific risks of management override which are not addressed by the mandatory work above.	<p>The work was carried out as proposed. We did not identify any issues.</p>

Audit risk	Proposed audit response	Work done and outcome
<p>NHS Trusts have a financial duty to break even over a three-year rolling period. Although the Trust is forecasting a break-even position for the year-end, this duty increases the risk that management judgements, and estimates included in the financial statements, could be biased in an effort to achieve the financial duty. If the Trust fails to meet the three-year resource limits for revenue and/or capital, I would expect to qualify my regularity opinion on the 2020-21 financial statements. I may also place a substantive report on the financial statements to explain the basis of the qualification and the circumstances under which it had arisen.</p>	<p>My audit team will focus its testing on areas of the financial statements which could contain reporting bias such as judgements and estimates.</p>	<p>The work was carried out as proposed. We did not identify any issues.</p>

Audit risk	Proposed audit response	Work done and outcome
<p>The COVID-19 national emergency continues and the pressures on staff resources and of remote working may impact on the preparation and audit of accounts. There is a risk that the quality of the accounts and supporting working papers may be compromised leading to an increased incidence of errors. Quality monitoring arrangements may be compromised due to timing issues and/or resource availability.</p>	<p>I will discuss your closedown process and quality monitoring arrangements with the accounts preparation team and monitor the accounts preparation process. I will help to identify areas where there may be gaps in arrangements.</p>	<p>The work was carried out as proposed. We did not identify any issues.</p>
<p>The increased funding streams and expenditure in 2020-21 to deal with the COVID-19 pandemic will have a significant impact on the risks of material misstatement and the shape and approach to our audit. Examples of issues include fraud, error, and regularity risks of additional spending; valuation of year-end inventory, including Property, Plant and Equipment (PPE); and estimation of annual leave balances.</p>	<p>I will identify the key issues and associated risks and plan our work to obtain the assurance needed for our audit.</p>	<p>The work was carried out as proposed. We did not identify any issues.</p>

Audit risk	Proposed audit response	Work done and outcome
<p>The implementation of the 'scheme pays' initiative in respect of the NHS pension tax arrangements for clinical staff is ongoing. Last year I included an 'Emphasis of Matter' paragraph in my audit opinion drawing attention to your disclosure of the contingent liability. However, if any expenditure is made in-year, I would consider it to be irregular as it contravenes the requirements of 'Managing Welsh Public Money'.</p>	<p>I will review the evidence one year on in respect of the take-up of the scheme and the need for a provision, and the consequential impact on the regularity opinion.</p>	<p>The work was carried out as proposed. No expenditure was incurred by the Trust. The Trust included the contingent liability in line with the prior year and we drew the reader's attention to this disclosure in an Emphasis of Matter paragraph in the audit report.</p>

Audit risk	Proposed audit response	Work done and outcome
<p>Relevant auditing standards require auditors to attend and validate year-end stock balances where these balances are deemed material to the financial statements.</p> <p>Due to the impact of the COVID-19 pandemic and the statutory lockdown arrangements, we will be unable to observe and re-perform parts of the Trust's count of its inventories on 31 March 2021.</p> <p>Unless I can obtain the required audit assurance by alternative means, I would therefore be unable to determine whether the Trust's reported year-end inventory balance is materially true and fair, ie I would need to qualify my opinion.</p>	<p>We will assess the Trust's year-end stock balances, particularly from a materiality context.</p> <p>If we need to qualify our opinion, it is important to emphasise that qualification would not be due to shortcomings in the Trust's systems or actions, but because of the impact of COVID-19 on one of our key audit procedures.</p>	<p>The work was carried out as proposed.</p> <p>The Trust's year-end stock values were below the materiality set on the financial statements.</p> <p>We did identify some issues regarding the documentation and working papers supporting the values in the financial statements and reported these within our Audit of Accounts report.</p>

Audit risk	Proposed audit response	Work done and outcome
<p>I reported within my Audit of Accounts Report 2019-20 my concerns over the level of Assets Under Construction (AUC) brought forward on 1 April 2019 that remained as AUC on 31 March 2020.</p> <p>We issued a recommendation within our Final Accounts Action Plan around the monitoring and recording of such expenditure to ensure assets are operationalised as soon as possible and to minimise the risk of obsolescence of the expenditure.</p>	<p>We have agreed a planned approach with officers in terms of how supporting documentation and evidence will be provided by the Trust to support the year-end AUC balances.</p> <p>We will review the audit evidence provided to gain assurance on the expenditure classified as AUC on 31 March 2021.</p>	<p>The work was carried out as proposed.</p> <p>We did identify some issues regarding the documentation provided to audit to support capital accruals and also difficulties in identifying the existence and location of some defibrillators held on the fixed asset register.</p> <p>We reported these matters within our Audit of Accounts report.</p>

Audit risk	Proposed audit response	Work done and outcome
<p>I audit some of the disclosures in the Remuneration Report, such as the remuneration of senior officers and independent members, to a lower level of materiality. The disclosures are therefore inherently more prone to material misstatement.</p> <p>A number of changes have taken place to the senior management team and non-executive directors during the financial year. There is a risk that these changes are not correctly disclosed within the Trust's Remuneration Report.</p>	<p>I will review all entries in the Remuneration Report to verify that the Trust has reflected all known changes to senior positions, and that the disclosures are complete and accurate.</p> <p>I will also seek appropriate assurances from the Trust's Remuneration Committee which intends to review the Trust's draft Remuneration Report before it is presented to us for audit.</p>	<p>The work was carried out as proposed.</p> <p>Amendments were agreed with the Trust to ensure the final remuneration report was accurate and disclosures complied with the requirements of the NHS Manual for Accounts.</p>



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