



# South Central Ambulance Service NHS Foundation Trust

## Auditor's Annual Report

Year ended 31 March 2025

June 2025

*We are required to satisfy ourselves under Schedule 10 (1)(d) of the National Health Service Act 2006 that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We report to you if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements are operating effectively.*

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## Appendices

Detailed findings from our audit of the financial statements are communicated in the following reports:

- audit opinion on the financial statements for the year ended 31 March 2025
- audit findings (ISA 260) report to Those Charged with Governance

We performed our audit in accordance with International Standards on Auditing (UK). This report has been prepared in line with the National Audit Office's Code of Audit Practice (the "Code") and is required to be published by the Trust alongside the annual report and accounts. Our reports are prepared in accordance with ISAs (UK), the Code, all associated Audit Guidance Notes issued by the National Audit Office and relevant requirements of the NHS Act 2006.

# Key messages

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 value for money (VFM) arrangements, which aims to draw to the attention of the Board and the wider public relevant issues, recommendations arising from the auditor's work and the auditor's view on whether previous recommendations have been implemented satisfactorily.

We have undertaken our work in accordance with the Audit Plan issued earlier in the year and reported to Those Charged with Governance. We have complied with the National Audit Office (NAO) Code of Audit Practice, other guidance issued by the NAO and International Standards on Auditing (UK).

Area of work	Our responsibilities	Conclusions
Financial statements	<p>We are required to audit the financial statements of the Trust and Group under the National Health Service Act 2006. We express an opinion as to whether:</p> <ul style="list-style-type: none"><li>the accounts give a true and fair view of the financial position of the Trust and Group and of the expenditure and income for the year; and</li><li>the accounts have been prepared in accordance with proper practices and the requirements of the National Health Service Act 2006.</li></ul> <p>We confirm whether the financial statements have been prepared in line with the Group Accounting Manual prepared by the Department of Health and Social Care (DHSC).</p> <p>We are required to give a separate audit opinion on the Trust accounts' consolidation schedules (TACs) and to carry out specified procedures under group audit instructions.</p>	<p>We anticipate our audit opinion will be unqualified on the Trust's and Group's financial statements. This means that we consider the financial statements give a true and fair view of the financial performance and position of the Trust and Group.</p> <p>In the group audit instructions issued by the National Audit Office the Trust was not selected as a sampled component. It was therefore subject to more limited group audit procedures. There are no unadjusted inconsistencies identified between the financial statements and the TACs to date, subject to final review, which we are required to report in our independent auditor's statement on the Trust's consolidation schedules.</p>

# Key messages

Area of work	Our responsibilities	Conclusions
<p>Annual report, annual governance statement and other information published with the financial statements</p>	<p>We assess whether the annual report is consistent with our knowledge of the Trust.</p> <p>We perform testing of certain figures subject to audit (labelled in the remuneration report and the staff report) as prescribed by the Foundation Trust Annual Reporting Manual (the 'ARM'),</p> <p>We consider whether the Annual Governance Statement does not comply with the disclosure requirements set out in the ARM or is misleading or inconsistent with information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.</p>	<ul style="list-style-type: none"> <li>• We did not identify any unadjusted significant inconsistencies between the information presented in the annual report and our knowledge of the Trust.</li> <li>• We anticipate that our audit opinion on the audited sections of the remuneration report and the staff report will be unqualified.</li> <li>• We confirmed that the Governance Statement had been prepared in line with the requirements set out in the ARM.</li> </ul>
<p>Value for money</p>	<p>We are required under Schedule 10 (1)(d) of the National Health Service Act 2006 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office requires us to report to you our commentary relating to proper arrangements.</p> <p>We assess the arrangements in place for securing economy, efficiency and effectiveness in the Trust's use of resources and provide a summary of our findings in the commentary in this report. We are required to report if we have identified any significant weaknesses as a result of this work.</p> <p>We are required to report our commentary under specified criteria: Financial sustainability, Governance and Improving economy, efficiency and effectiveness.</p>	<ul style="list-style-type: none"> <li>• We have not identified any significant weaknesses in the arrangements for securing at economy, efficiency and effectiveness in the use of resources at the Trust.</li> <li>• We have made "other" recommendations to support the Trust's ongoing improvement.</li> </ul>

# Key messages

Area of work	Our responsibilities	Conclusions
Public interest report	Under Schedule 10 (3) of the National Health Service Act 2006 the auditor of a foundation trust must consider whether to make a report in the public interest if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public.	<ul style="list-style-type: none"> <li>We did not identify any matters for which we considered a public interest report to be required as part of our external audit for 2024/25.</li> </ul>
Referral to NHS England	Under Schedule 10 (6) of the National Health Service Act 2006 the auditor of a foundation trust must consider whether to make a referral to a foundation trust’s regulatory body (NHS England) if the auditor has reason to believe that the trust, or a director or officer of the trust is about to make, or has made, a decision which involves or would involve the incurring of expenditure which is unlawful, or is about to take, or has taken, a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency.	<ul style="list-style-type: none"> <li>We did not identify any matters for which we considered a referral to be required as part of our external audit for 2024/25.</li> </ul>
Key recommendations	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money, they should make recommendations setting out the actions that should be taken by the Trust. We consider these to be key, or essential, recommendations.	<ul style="list-style-type: none"> <li>We did not make any key recommendations.</li> </ul>
Other recommendations	We raise “other recommendations” in areas where we believe the weaknesses identified are not significant, or where arrangements are generally satisfactory but further improvement could be achieved.	<ul style="list-style-type: none"> <li>We raised five other recommendations in relation to Financial Sustainability and Governance for the Board to consider. These are detailed on page 29.</li> </ul>

# Financial statements

*The annual report and financial statements are an important tool for the Trust to show how it has used public money and how it can demonstrate its financial health.*

*We provide an independent opinion on whether the Trust's 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;*
- *have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2024/25; and*
- *have been prepared in accordance with the National Health Service Act 2006.*

*We are independent of the Trust in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.*

Area of work	Conclusions
<b>Audit opinion on the financial statements</b>	We propose to give an unqualified opinion on the Trust's and Group's financial statements on 26 June 2025.
<b>Audit Findings (ISA260) report</b>	More details can be found in our ISA260 report, which was reported to the Trust's Audit Committee on 17 June 2025.
<b>Whole of Government accounts</b>	<p>To support the audit of consolidated NHS Provider accounts, the Department of Health and Social care group accounts and the Whole of Government Accounts (WGA), we are required to examine and report on the consistency of the Trust's consolidation schedules with its audited financial statements. This includes performing specified procedures under group audit instructions issued by the National Audit Office.</p> <p>Subject to completion of the required work, we plan to issue our statement on the consolidation schedules alongside our opinion on the financial statements.</p>
<b>Preparation of the accounts</b>	The Trust provided draft accounts in line with the national deadline. We have identified misstatements to the financial statements, none of which are individually material however in aggregate are material therefore adjustments have been made to the financial statements.

# Financial statements

## Significant risks

Detailed findings from the audit of the 2024/25 financial statements are set out in our Audit Findings (ISA260) report, reported to the Trust's Audit Committee on 17 June 2025. Requests for this report should be directed to the Trust. This report set out the significant risks identified for the 2024/25 financial statements audit along with the procedures performed to address each risk and the conclusions reached following the performance of those procedures.

We identified three adjustments to the financial statements that have resulted in a £5.179 million deterioration to your reported financial outturn. This will result in the draft surplus of £4,095k (Group) and £4,049k (Trust) now showing as a deficit position. However, the adjusted financial performance of the Group and Trust will not be impacted as a result of these adjustments. We have also identified several disclosure amendments. We have also raised control recommendations for management as a result of our work, none of the control recommendations raised have resulted from significant control deficiencies.

We outline below the significant risks identified as part of our audit and the conclusions from our work.

# Key audit findings: significant risks

## Significant risks at the financial statement level

The below table summarises conclusions in relation to significant risks of material misstatement identified at the financial statement level. These risks are considered to have a pervasive impact on the financial statements as a whole and potentially affect many assertions for classes of transaction, account balances and disclosures.

Significant risks	Audit approach	Audit findings and conclusion
<p><b>Management override of controls (Trust and Group)</b></p> <p>Auditing Standards require auditors to treat management override of controls as a significant risk on all audits. This is because management is in a unique position to perpetrate fraud by manipulating accounting records and overriding controls that otherwise appear to be operating effectively.</p> <p>Although the level of risk of management override of controls will vary from entity to entity, the risk is nevertheless present in all entities.</p> <p>Specific areas of potential risk including manual journals, management estimates and judgements and one-off transactions outside the ordinary course of the business.</p> <p><b>Risk of material misstatement: Very high</b></p>	<ul style="list-style-type: none"><li>• Documented our understanding of the journals posting process and evaluated the design effectiveness of management controls over journals;</li><li>• Analysed the journals listing and determining the criteria for selecting high risk and/or unusual journals;</li><li>• Tested high risk and/or unusual journals posted during the year and after the draft accounts stage back to supporting documentation for appropriateness, corroboration and to ensure approval has been undertaken in line with the Trust's and Group's journals policy;</li><li>• Gained an understanding of the key accounting estimates and critical judgements made by management. We also challenged assumptions and considered for reasonableness and indicators of bias which could result in material misstatement due to fraud; and</li><li>• Evaluated the rationale for any changes in accounting policies, estimate or significant unusual transactions.</li></ul>	<p>Our audit work has not identified any significant issues in respect of this risk.</p>

# Key audit findings: significant risks

## Significant risks at the assertion level for classes of transaction, account balances and disclosures

The tables below summarise conclusions in relation to significant risks of material misstatement at the assertion level for classes of transaction, account balances and disclosures

Significant risks	Audit approach	Audit findings and conclusion
<p><b>Fraud in revenue recognition (Trust and Group)</b></p> <p>Material misstatement due to fraudulent financial reporting relating to revenue recognition is a rebuttable presumed risk in ISA (UK) 240.</p> <p>Having considered the nature of the revenue streams at the Trust, pressures within the wider healthcare system, and the financial position at year end, we consider that the risk of fraud in revenue recognition cannot be rebutted for operating income from patient care however we have rebutted the revenue recognition risk for other operating income.</p> <p><b>Inherent risk of material misstatement:</b></p> <ul style="list-style-type: none"> <li>• <b>Revenue (Occurrence and Accuracy): High</b></li> <li>• <b>Receivables (Existence): High</b></li> </ul>	<ul style="list-style-type: none"> <li>• Documented our understanding of the Trust’s systems for income to identify significant classes of transactions, account balances and disclosures with a risk of material misstatement in the financial statements;</li> <li>• Evaluated the design of the controls in the key accounting systems, where a risk of material misstatement was identified, by performing a walkthrough of the systems;</li> <li>• Evaluated the Trust’s accounting policies for recognition of income and compliance with the GAM;</li> <li>• Tested pre and post year end transactions to assess cut-off of income recognition;</li> <li>• Substantively tested a sample of income transactions recognised during the period by tracing amounts to contracts, invoices and other third-party evidence;</li> <li>• Substantively tested a sample of receivables recognised at year end by tracing amounts to contracts, invoices and other third-party evidence; and</li> <li>• Reviewed the Agreement of Balances mismatch report to identify any unmatched items above/under the lower of our trivial threshold or NAO threshold of £300k. Where mismatches or disputed balances were identified, we confirmed balances and reviewed correspondence with mismatched organisation.</li> </ul>	<p>Our audit work has not identified any significant issues in respect of this risk.</p>

# Key audit findings: significant risks

Significant risks	Audit approach	Audit findings and conclusion
<p><b>Expenditure recognition (Trust and Group)</b></p> <p>We have also considered Practice Note 10, which comments that for certain public bodies, the risk of manipulating expenditure could exceed the risk of the manipulation of revenue. We have therefore also considered the risk of fraud in expenditure at the Trust.</p> <p>We consider that the risk can be rebutted on payroll expenditure of staff, depreciation, amortisation, and interest payable but cannot be rebutted on other operating expenditure for the reasons set out above. We have also identified significant risk in the completeness and existence of the related expenditure accruals.</p> <p><b>Inherent risk of material misstatement:</b></p> <ul style="list-style-type: none"> <li>• <b>Non-pay expenditure (Completeness): Very high</b></li> <li>• <b>Accruals (Completeness): Very high</b></li> </ul>	<ul style="list-style-type: none"> <li>• Documented our understanding of the Trust’s systems for expenditure to identify significant classes of transactions, account balances and disclosures with a risk of material misstatement in the financial statements;</li> <li>• Evaluated the design of the controls in the key accounting systems, where a risk of material misstatement was identified, by performing a walkthrough of the systems;</li> <li>• Evaluated the Trust’s accounting policies for recognition of expenditure and compliance with the GAM;</li> <li>• Tested a sample of expenditure to third party supporting documentation to confirm it has been recognised in the correct accounting period and where appropriate agree to the corresponding accrual;</li> <li>• Tested a sample of after date payments to ensure all appropriate expenditure has been included in the financial statements;</li> <li>• Reviewed management’s processes for identifying accruals to ensure the completeness of these balances;</li> <li>• Substantively tested a sample of expenditure transactions recognised during the period by tracing amounts to contracts, invoices and other third-party evidence;</li> <li>• Tested a sample of accruals and third-party supporting documentation to confirm they have been recognised correctly in line with accounting standards and the GAM; and</li> <li>• Reviewed the Agreement of Balances mismatch report to identify any unmatched items above/under the lower of our trivial threshold or NAO threshold of £300k. Where mismatches or disputed balances were identified, we confirmed balances and reviewed correspondence with mismatched organisation; and</li> <li>• Performed a year-on-year analytical review of accruals for completeness.</li> </ul>	<p>Our audit work has not identified any material issues in respect of this risk.</p>

# Key audit findings: significant risks

Significant risks	Audit approach	Audit findings and conclusion
<p><b>Valuation of land and buildings (Trust and Group)</b></p> <p>The Trust undertakes a full revaluation of its land and buildings annually, to ensure that the carrying value is not materially different from the fair value. The last full valuation was undertaken in the prior year. For the year ending 31 March 2025, a desktop valuation exercise will take place which is in line with our expectation.</p> <p>Management engage the services of Savills, who are a Regulated Member of the Royal Institute of Chartered Surveyors (RICS) to undertake these valuations as of 31 March 2025.</p> <p>The valuations involve a wide range of assumptions and source data and are therefore sensitive to changes in market conditions. ISAs (UK) 500 and 540 require us to undertake audit procedures on the use of external expert valuers and the methods, assumptions and source data underlying the fair value estimates.</p> <p>This represents a key accounting estimate made by management within the financial statements due to the size of the values involved, the subjectivity of the measurement and the sensitive nature of the estimate to changes in key assumptions. We have therefore identified the valuation of land and buildings as a significant risk.</p> <p>We have further pinpointed this risk to specific assets, or asset types, on receipt of the draft financial statements and the year-end updated asset valuations to those assets where the in-year valuation movements falls outside of our expectations. We did not identify any assets that had movements that fell out with our expectations when reviewing the draft financial statements and valuation report. Therefore, as asset valuation movements fell within expectations these were considered as low risk.</p> <p><b>Inherent risk of material misstatement:</b></p> <ul style="list-style-type: none"> <li>• <b>Land and Buildings (valuation): High</b></li> </ul>	<ul style="list-style-type: none"> <li>• Evaluated management processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work;</li> <li>• Evaluated the competence, capabilities and objectivity of the valuation expert;</li> <li>• Considered the basis on which the valuations are carried out and challenging the key assumptions applied;</li> <li>• Evaluated the reasonableness of the valuation movements for assets revalued during the year, with reference to market data. We considered whether we required an auditor’s expert, upon consideration an expert was deemed as not required;</li> <li>• For unusual or unexpected valuation movements, tested the information used by the valuer to ensure it is complete and consistent with our understanding;</li> <li>• Ensured revaluations made during the year had been input correctly to the fixed asset register and the accounting treatment within the financial statements was correct; and</li> <li>• Evaluated the assumptions made by management for any assets not revalued during the year and how management are satisfied that these are not materially different to the current value.</li> </ul>	<p>Our audit work has not identified any material issues in respect of this risk.</p>

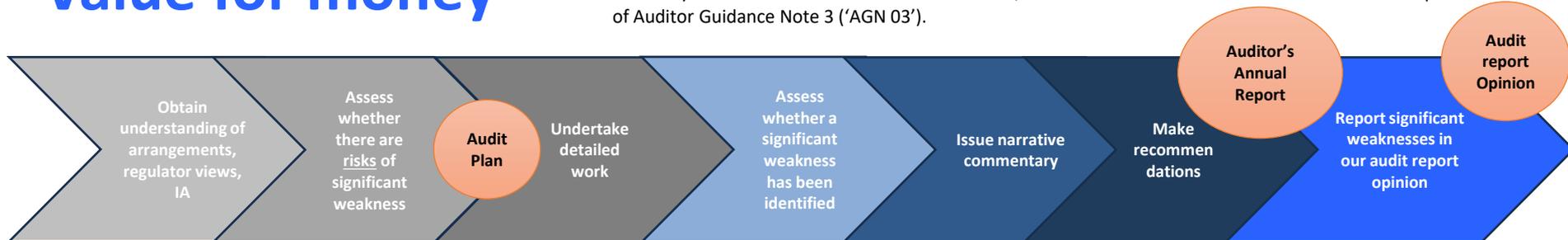
# Key audit findings: other risks

This section summarises conclusions in relation to other identified risks which, although not considered to be significant, required specific consideration during the audit or were risks otherwise identified during the course of the audit.

Other risks	Audit approach	Audit findings and conclusion
<p><b>Valuation of redundancy provision (Trust and Group)</b></p> <p>During the 2024/25 financial year, the Trust has undergone a restructure with a number of redundancies planned. A provision has been accounted for in the financial statements in relation to this restructure.</p> <p>As this is considered as an accounting estimate made by management and is a non recurring transaction we have identified this as an 'other' risk which we will perform substantive testing over.</p> <p><b>Inherent risk of material misstatement:</b></p> <ul style="list-style-type: none"><li>• <b>Redundancy provision (valuation): Medium</b></li></ul>	<ul style="list-style-type: none"><li>• Obtained an understanding of the process undertaken by management in order to provide a valuation estimate on the cost of the redundancy and restructuring plans impacting the Trust;</li><li>• Performed a review of supporting documentation to ensure the provision recognised meets the criteria of IAS 37;</li><li>• Selected a sample of source data which was input into the provision calculation to agree back to supporting documentation to validate the accuracy of data used to inform the valuation; and</li><li>• Performed a review of management's judgements made in relation to the estimates used to inform the valuation of the provision.</li></ul>	<p>Our audit work has not identified any significant issues in respect of this risk.</p>

# Value for money

We are required to consider whether the Trust has established proper arrangements to secure economy, efficiency and effectiveness in its use of resources, as set out in the NAO Code of Practice and the requirements of Auditor Guidance Note 3 ('AGN 03').



In undertaking our work we have identified significant weaknesses in arrangements as set out in the table below. We have made key recommendations in respect of these weaknesses.

Reporting criteria	Planning – risk of significant weakness identified?	Final – significant weakness identified?	Key recommendations made?	Other recommendations made?
<b>Financial sustainability</b> How the body plans and manages its resources to ensure it can continue to deliver its services	Yes	No	No	Yes
<b>Governance</b> How the body ensures it makes informed decisions and properly manages risk	Yes	No	No	Yes
<b>Improving economy, efficiency and effectiveness</b> How the body uses information about its costs and performance to improve the way it manages and delivers its services	No	No	No	No

# Value for money

In addition to our financial statements work we performed a range of procedures to inform our value for money commentary, including:

- Meeting with management and regular meetings with senior officers
- Interviews as appropriate with other Board members and management
- Review of Board and committee reports and attendance at audit committee meetings
- Reviewing reports from third parties, including the Care Quality Commission (CQC)
- Considering the findings from our audit work on the financial statements
- Review of the Trust's annual governance statement and annual report and other publications
- Considering the work of internal audit and the counter fraud function
- Consideration of correspondence with NHS England
- Consideration of other sources of external evidence, such as the NHS National Staff survey, Healthwatch reports, etc

Foundation Trusts are responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in their use of resources. This includes managing key operational and financial risks and taking properly informed decisions so that they can deliver their objectives and safeguard public money.

As auditors, we are required to consider whether the Trust has established proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We performed risk assessment procedures at the audit planning stage to identify any potential areas of significant weakness which could result in value for money not being achieved. This included considering the findings from other regulators and internal auditors, reviewing records at the Trust and performing procedures to update our knowledge of the high-level arrangements in place. The resulting risk areas were set out in our audit plan.

For each identified risk area, we performed further procedures during our audit to consider whether there were significant weaknesses in the processes in place to achieve value for money.

The NAO Code of Audit Practice requires us to structure our commentary on VFM arrangements under three reporting criteria: financial sustainability, governance and improving economy, efficiency and effectiveness.

We have set out on the following pages our commentary and findings on the arrangements at the Trust in each area.

## Summary of findings

Based on the audit work performed, we have identified one significant weakness in the Trust's arrangements for achieving value for money and have therefore raised one key recommendation in relation to this.

We have raised other recommendations within the Financial Sustainability criteria for the Board to consider.

# Financial sustainability

This relates to how the Trust plans and manages its resources to ensure it can continue to deliver its services.

We considered the following areas:

- how the Trust identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into the plans;
- how the Trust plans to bridge its funding gaps and identifies achievable savings;
- how the Trust plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- how the Trust ensures that its financial plan is consistent with workforce, capital, investment, and other operational plans, which may include working with other local public bodies as part of a wider system; and
- how the Trust identifies and manages risks to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

## 2024/25 financial position

The Trust has reported a deficit of £1m (after audit adjustments) however, due to the nature of the audit adjustment an adjusted surplus for the year of £4.1m has been delivered by the Trust. This is a favourable position to the planned 2024/25 deficit of £10.1m. The main reasons for this were due to receipt of £6.0m deficit funding and £7.5m brokerage funding and the achievement of an additional ICB stretch target of £1.1m. Whilst the 2024/25 financial position is more favourable than plan, the additional funding received was on a non-recurrent basis and does not fix the underlying deficit position. The Director of Finance has regularly reported the position to Board, showing clearly and separately the additional funding which allowed the Trust to report a surplus position in the last quarter of the financial year. The 2024/25 underlying deficit for the Trust is £9.4m.

## 2024/25 achievement of Cost Improvement Plans

The Trust had a Cost Improvement Plan (CIP) target in 2024/25 of £27.7m as well as an additional stretch target of £1.1m set by the system. This equated to nearly 10% of expenditure and was reported as the highest in England by the Health Service Journal (HSJ) in November 2024. This was incorporated into their planned deficit of £10.1m and was identified in our prior year commentary as being ambitious and as such, had risk attached to the achievement of them.

The Trust have reported at 31 March 2025 that £29.1m of CIPs had been achieved out of a revised target of £32.4m. Of which, £25.7m have been delivered recurrently and £3.4m non-recurrently. The majority of these were achieved within the 999, 111 and Patient Transport Service (PTS) areas. The remaining £3.3m were achieved through “grip and control” measures in cutting costs. Given many of these savings are through improving efficiency by reducing handover times, the Trust should undertake post implementation reviews to understand how these CIPs have impacted services.

	2024/25 actual achievement %	2024/25 actual achievement £'000
<b>Recurrent</b>	88%	25,676
<b>Non-recurrent</b>	12%	3,362
<b>Total</b>	100%	29,038

# Financial sustainability

In addition, internal audit produced a report which was taken to Audit Committee in March 2025 entitled “Cost Improvement Programme Delivery Control”. The overall assurance given on this report was “moderate”. The report sets out several areas which the Trust are doing well and also sets out areas for improvement. The Trust are working to ensure these are actioned to aide towards longer term financial sustainability.

As at 31 March 2025, the Trust did not have a Medium Term Financial Plan in place. This was a recommendation which was first raised in our Auditor’s Annual Report (AAR) in 2022/23 which was also included in our 2023/24 report. We will therefore be raising this as an “other” recommendation in 2024/25. This was also highlighted as a recommendation by Internal Audit during the year.

## 2025/26 plans

The Trust’s budget for 2025/26 was submitted to the Hampshire and Isle of Wight (HIOW) Integrated Care Board (ICB) in April 2025. This sets out a planned deficit of £708k with an adjusted financial performance of break even. This does not include any non-current deficit funding. This plan includes £21.6m CIP target which, per the budget, have all be identified on a recurrent basis. Details of the CIPs and profiling are included below.

	2025/26 CIP Target £'000	2025/26 CIP Target %
High risk	732	3%
Medium risk	20,854	97%
Low risk	0	0%
<b>Total</b>	<b>21,589</b>	<b>100%</b>

	2025/26 CIP Target £'000	2025/26 CIP Target %
Fully developed	6,156	29%
Plans in progress	11,036	51%
Opportunity	4,394	20%
Unidentified	0	0%
<b>Total</b>	<b>21,589</b>	<b>100%</b>

	2025/26 CIP Target £'000	2025/26 CIP Target as a % of the overall target
Recurrent (pay)	9,225	43%
Recurrent (non-pay fleet optimisation)	10,888	50%
Recurrent (non-pay corporate service transformation)	1,473	7%
<b>Total</b>	<b>21,586</b>	<b>100%</b>

# Financial sustainability

## **Arrangements for identifying CIPs**

The arrangements in place at year end to identify and monitor future CIPs included working from the required control total for the Trust for the financial year. The Trust then scoped the requirement from the underlying position, adding any cost pressures, which then identified the financial gap for the 2025/26 year. This gap then derived the savings target for the Trust. This is broken down by division and area based on cost base. Each division and area are responsible for identifying savings up to or over this value. The cost saving plans are then discussed and challenged through the Financial Sustainability and Development Group (FSDG) with feedback incorporated into the plans. All savings plans go through a Quality Impact Assessment (QIA). Savings plans in year are monitored through bimonthly FSDG meetings, Financial Recovery Group meetings and Finance and Performance Committees.

We consider these arrangements to be appropriate.

## **Risks to achieving 2025/26 CIPs**

Risks to the plan were identified and reported to Board in May 2025 which outlined the following:

- The CIP plan needs to deliver in full to achieve the planned break-even position.
- The 2025/26 plan has been agreed with the H1OW system but has not yet been agreed by the NHS National Team.
- The Trust were asked to justify why their plan included a reduction in hours deployed. Noting that the Trust's plan addresses the impact of improvements in handover times and also plans to reduce conveyances by improving "Hear and Treat". Any increase in hours on the road will result in additional costs and a risk that SCAS would not recover the £7.8m growth monies included in the financial plan.
- Income contracts for all commissioners have not yet been agreed. The Trust will continue to pursue income to match planned levels. Any deviation to plan could result in an in-year deficit.

We consider the identification and reporting of these risks to be good practice and the Trust should ensure this is continued throughout the year to ensure that early identification of slippage against the plan can be addressed.

We have also confirmed the 2025/26 plan was agreed on 20 May 2025 by the NHS National Team.

# Financial sustainability

## Summary

Whilst the Trust achieved their ambitious 2024/25 CIP target, the Trust is planning to continue to recognise recurrent savings in excess of £20m over the next financial year. As the Trust with one of the highest CIP targets in England for 2024/25, we recognise that achieving cost savings is a significant challenge for the Trust and that identifying savings becomes inherently more challenging year on year, especially on a recurrent basis. Whilst the Trust are reporting that they have identified their cost savings target, the Trust will need to ensure a robust process is in place for monitoring these throughout 2025/26 to identify and respond to any slippage in a timely manner. Post implementation reviews should also be completed on CIPs which have been achieved to ensure that service delivery is not negatively impacted.

Overall, the Trust, whilst heading in the right direction, continues to navigate a challenging position to deliver financial sustainability in the longer term. They have a history of reporting significant deficits and under achievement of CIPs, as well as being reliant in 2024/25 on non-recurrent support funding from the system to achieve a surplus position. The Trust's plan is part of the wider Hampshire and Isle of Wight combined Integrated Care System plan which has a plan to achieve a £0.5m surplus for the financial year 2025/26. As a system, they are still within National Oversight Framework (NOF) 4 and therefore in a Recovery Support Programme. We have made some "other" recommendations for the Board to consider in respect on these to ensure that the Trust continues on the right trajectory from the improvements noted in 2024/25. In the prior year, we reported that "the Trust did not have adequate arrangements in place to identify, monitor and deliver its 2023/24 efficiency targets leading to a deficit position of £21.7m".

From the work we have done, we are satisfied that the Trust's arrangements in place to secure value for money through financial sustainability were appropriate for this significant weakness in arrangements to no longer exist. This is due to the achievement of their 2024/25 CIPs, as well as the arrangements in place to identify CIPs for 2025/26. We do however still have a number of areas for the Trust to consider moving forward and have made "other" recommendations in relation to these. These are important for the Trust to consider in order to ensure their arrangements are sufficient for future financial sustainability.

In the prior year, we identified and reported that the Trust did not have a medium-term financial plan (MTFP) in place. Whilst the Trust still did not have a formal plan in place during 2024/25 or at the year end, we have held discussions with the Director of Finance who has explained the progress which has been made since the year end on an integrated plan. The Trust have developed a draft three-year plan which is subject to Board approval once final update to this plan have been made. They are also working towards developing a three-year plan alongside SECAMB later in the year to reflect their joined up working and longer-term vision for working more closely together. We have reflected on this alongside the NHS national planning guidance which has changed considerably since we first raised this significant weakness in 2022/23. We are now satisfied that this no longer a significant weaknesses in arrangements within the Trust. We have included an "other" recommendation for the Trust to consider in this respect.

We have considered that the arrangements in place at the Trust during 2024/25 are appropriate and do not constitute a significant weakness in arrangements.

# Governance

This relates to the arrangements in place for overseeing the Trust's performance, identifying risks to achievement of its objectives and taking key decisions.

We considered the following areas as part of assessing whether sufficient arrangements were in place:

- how the Trust monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the Trust approaches and carries out its annual budget setting process;
- how the Trust 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, including in relation to significant partnerships;
- how the Trust 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; and
- how the Trust 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).

## Background

In 2022/23 and 2023/24 we identified significant weaknesses in the Trust's arrangements to secure value for money in relation to governance. The weakness which was reported in 2023/24 was as follows: "The Trust did not have adequate arrangements in place within 2023/24 to deliver and monitor against the criteria agreed within the Improvement Programme." This was as a result of the 2022 CQC report which found the Trust's Well-Led and Safe areas to be "inadequate" and was further amended to incorporate the exit criteria following the Trust being placed into NOF 4.

We have therefore performed work and focused conversations with senior management to understand how this weakness and our key recommendation has been addressed during 2024/25.

## Observations up to December 2024

Throughout 2024/25, we have found it challenging to understand who holds accountability for the delivery of the Improvement Plan at an Executive Board level, as well as understanding the key actions points and how the Trust plans to address (or has addressed) them.

During 2024/25, we were provided with an iteration of the Improvement Plan dated September 2024, which set out recommendations arising from the CQC report as well as exit criteria for NOF 4. At the year end, no further iteration was provided for our consideration as progress was already being made to incorporate this into one plan which consisted of additional elements (as noted below).

We observed within 2024/25 a churn in the Executive Leads within the Trust who were involved with overseeing this plan, and we found it challenging at times to understand who from within the Trust was the most appropriate person to hold discussions with to allow us to obtain a full picture of the Trust's progress.

# Governance

## December 2024 onwards

In December 2024, the Trust appointed a Chief Governance Officer following an interim Chief Governance Officer appointment, and we were directed in their direction to understand how progress had been made against the Improvement Plan. We recognise that other Executive Leads are also responsible for their own areas of delivery against the plan.

From discussions with management, we have been made aware that the Trust is not just focussing on the actions coming out of the CQC. They have a number of areas which require focus and action. This includes:

- CQC report 2022
- NHS England Undertakings
- Recovery Support Programme
- Transition Criteria

We therefore have considered what the Trust is doing holistically to address all of these elements, rather than focus on a recommendation we previously made which is now considered to be outdated given the Trust's acknowledgement that these need to all be considered together, as one.

The Trust have therefore recognised the need for all of these elements to be incorporated into one plan and not separate standalone plans. This plan being the "Fit for the Future Plan". This has been described by the Trust as the "golden thread" to connect everything the Trust does to deliver strategy and care for patients. The updated Fit for the Future Plan was not in place at 31 March 2025, and was taken to Board and approved in May 2025.

This sets out five key strategic themes which has reduced from seven previously identified in the previous plans:

1. Clinical Effectiveness
2. Enabling Services
3. Digital Transformation
4. People and Culture
5. Sustainability and Partnerships

# Governance

In addition, the Trust have developed joined up plans to address its placement into NOF 4. This focusses on the transition criteria they need to demonstrate achievement against in order to move to NOF 3 by September 2025. We understand that this will transition into the NHS Performance Assessment Framework for 2025/26 with a categorisation of 1 to 5.

We were provided with a report detailed “Transition Criteria 2024/25” which set out seven areas the Trust will need to action and evidence. This falls into three areas; Governance and Well Led, Culture and Leadership Development and Performance Improvement.

This plan includes clear evidence which link to the specified transition criteria. Alongside this, the Trust have developed a “Transition Criteria Plan” which maps clearly, with timeframes for achievement noted and corresponding metrics and evidence.

In February 2025, a mapping exercise was completed and reported to understand the CQC “must dos”, “should dos”, enforcement undertakings and transition criteria and where this fits into the overall “Fit for the Future Plan”.

A deep dive review was undertaken by the Chief Governance Officer focussing on the Governance and Well-Led aspects of the Transition Criteria. This was completed and reported to the local Recovery Support meeting in February 2025. This highlighted the percentage progress against all 11 elements of the Governance and Well-Led Transition Criteria, as well as highlighting obstacles to success, progress made and immediate priorities for the Trust. This was also completed for the Culture and Leadership Development and Performance Improvement aspects.

## **Progress into 2025/26**

We have noted a considerable amount of information which has been provided to us since the year end, which highlights the arrangements the Trust are putting in place. Since the year end, the Trust has reported to Board the new approach of the Strategic Framework Fit for the Future. This has also led to additional changes as follows:

1. Board Assurance Framework (BAF) has been redeveloped to align with the Fit for Future Plan.
2. Tiered approach. Under each strategic theme there is Tier 1 “Strategic Programmes” and Tier 2 “Operating Plan deliverables”.
3. Seven pillars reduced to five

# Governance

## Summary on CQC actions and follow up of prior year significant weakness

In June 2025, we were provided with a letter sent to the Chief Executive from the South East Regional Director in the NHS regarding the “issue of revised 2022 Undertakings and Compliance Certificate against 2022 Undertakings”. This letter set out that the South East Regional Support Group (RSG) approved in December 2024 to:

- issue a compliance certificate for some of the SCAS 2022 undertakings; and
- to incorporate any remaining undertakings into a revised set of 2024 undertakings. The existing September 2023 finance undertakings will remain as is.

Alongside this letter, a Compliance Certificate was issued for the 2022 undertakings. This confirmed that NHS England are satisfied that the Trust has addressed a number of requirements, including addressing all CQC’s May 2022 warning notices and “must do” actions.

The letter does note that remaining action points have been included in a revised set of 2024 undertakings. We have confirmed that the Trust has developed a plan setting out the Transition Criteria as noted above in our commentary.

We have made some observations through completing our work and have set these out below. Where necessary, we have made “other” recommendations in relation to this.

- Until appointment of the new Chief Governance Officer, it was unclear to us who held overall responsibility for delivery of the Improvement Plan. It has been a challenge to obtain receipt of a clear trail of how the Improvement Plan has evolved during 2024/25.
- We were not provided with all information relevant to our work in a timely manner. This has made it challenging to ensure we have had a full picture whilst concluding our findings as further evidence was still being provided on 11 June 2025.
- The Trust remains in NOF 4 and enforcement undertakings. The updated transition date of September 2025 will be pivotal in understanding whether the Transition Criteria has been achieved.

Overall, whilst it has been challenging for us to clearly understand the Trust progress, we are satisfied that the evidence provided during 2024/25 means that the previous significant weakness in arrangements no longer exists.

# Governance

## Trust's wider strategic areas of focus

The Trust recognise that since their development of their 2022 – 2027 Strategy there has been a series of changes both at a regional and national level. This has included entering into the Southern Ambulance Services Collaborative and working more closely with SECamb. The intention is to better standardise care delivery, how services are commissioned and to seek opportunities to drive productivity and efficiency through scale. To this end, the Trust have in place a joint Board to Board with SECamb. They are working with a director who developed a similar Fit for the Future programme with another Trust. SCAS and therefore hoping to call upon shared learning to develop theirs.

## CQC

We note that an unannounced CQC inspection took place in May 2025 and whilst a written report has not been finalised at the time of writing this commentary, the May 2025 Board paper notes that initial feedback has been positive. The Trust are awaiting a further inspection to focus on the “well-led” side in due course.

In line with our findings above, we therefore recognise that continuing to recommend a clear plan to address the CQC findings from 2022 may be outdated. However, during 2024/25, the improvement plan that was in place was not clear to address the arrangements or actions taken or to evidence that change had been fully implemented and embedded within the Trusts day-to-day activities.

## Other governance arrangements

We have also assessed the wider governance arrangements and specifically considered how the Trust ensures that it makes informed decisions and properly manages its risks. Throughout the year, we met with numerous Trust stakeholders including the Chief Executive, Chief Governance Officer, Director of Finance and the Audit Committee Chair. We have also performed minute reviews of a number of committees held within the Trust including; Board, Audit Committee and the Finance and Performance Committee. We have noted that the level and quality of information provided to these committees have improved over the past few years and we have noted challenge throughout these meetings as documented in the minutes we have reviewed. However, during the audit, we did note some conflicting evidence which was provided as part of the financial statement audit and the value for money work. We noted that specified funding which was received from the ICB was reported in the March 2025 Board papers as being “required to be paid back over the next 2 years”. However, after completion of the audit, we now understand that this funding does not require repayment. We therefore recommended as part of the financial statements audit, that management should ensure that the information reported to Board is accurate and reflective of the correct accounting treatment for the Trust.

# Governance

The Trust have a number of committees and groups which meet regularly and form part of their governance. This includes the Financial Recovery Group which meet fortnightly and well as the Financial Sustainability and Development Group. The Chief Governance Officer has also noted the new Regulatory Oversight Board which will be set up in 2025/26. As part of our work, we requested and received the draft terms of reference for this committee which are underway.

We have made “other” recommendations through our observations in considering the Trust’s arrangements to secure value for money through governance:

1. The Trust should continue to monitor progress made against the 2023 finance undertakings and remaining action points which have been included in a revised set of 2024 undertakings, ensuring reporting to Board in a timely manner and focusing on actions becoming embedded within the Trust.
2. The Trust should ensure that all relevant information for our value for money assessment is provided to the audit team in a timely manner and be offered proactively to evidence progress made by the Trust in a clear and concise way.

# Improving economy, efficiency and effectiveness

This relates to how the Trust seeks to improve its systems so that it can deliver more for the resources that are available to it.

We considered the following areas as part of assessing whether sufficient arrangements were in place:

- how financial and performance information has been used to assess performance and identify areas for improvement;
- how the Trust evaluates service quality to assess performance and identify areas for improvement;
- how the Trust 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; and
- where the Trust commissions or procures services, how it ensures that this is done in accordance with relevant legislation, professional standards and internal policies, and how it assesses whether it is realising the expected benefits.

## Overview

South Central Ambulance Service NHS Foundation Trust (SCAS) delivers services to the populations of Berkshire, Buckinghamshire, Hampshire and Oxfordshire, serving a population of over 7 million and answering over 500,000 urgent and emergency calls a year. The Trust provides 999 emergency services, NHS 111 services, non-emergency patient transport services (PTS), logistics and commercial services and training services. The Trust also discontinued four PTS services in 2024/25 in Buckinghamshire, Berkshire, Oxford and Sussex.

## Partnership and collaborative working

As an ambulance trust, SCAS have an important role in local care systems, especially with the increasing focus on delivering care remotely or in patients' homes. The Trust worked across five integrated care systems in 2024/25, with the Hampshire and Isle of Wight Integrated Care Board (HIOW ICB) acting as their lead commissioner.

The Trust engage with partners in commissioning and provider organisations across several systems on a range of strategic and operational forums. The Trust works to ensure plans are aligned to the ICS's forward plans and that the needs of emergency and urgent care are appropriately considered within these system plans.

During 2024/25, the Trust has announced their collaboration with four other ambulance trusts to create Southern Ambulance Services Collaboration (SASC). This includes working with East of England Ambulance Service NHS Trust (EEAST), London Ambulance Service NHS Trust (LAS), South East Coast Ambulance Service NHS Foundation Trust (SECAmb) and South Western Ambulance Service NHS Foundation Trust (SWAST).

This collaboration has been driven from the Chief Executives of the Trusts and the aim is to deliver improvements in care for five trusts which face similar challenges and operate in a similar geographical area. One of the first priorities will be to identify which trusts perform certain functions particularly well and share this as best practice.

# Improving economy, efficiency and effectiveness

The Trust has entered the Southern Ambulance Services Collaborative and started to work more closely with SECAMB and commissioners in the South East Region to better standardise care delivery, how services are commissioned, and seek opportunities to drive productivity and efficiency through scale. This has also led to the appointment of a Joint Strategic Lead working across both SCAS and SECAMB.

## **Capital programme - Fleet**

The Trust, like many others in the UK has material capital programmes. These often span multiple financial years. The Trust has had an ongoing programme to update their fleet of ambulances. This was done through a national procurement framework and was largely outside of the Trust's control. The Trust has experienced significant delays in receiving the updated fleet of ambulances, some of which date back to 2022/23. This was due to the third-party suppliers going into administration or not being able to fulfil orders to the required time scales due to quotas stipulated by the European Union. These delays have caused additional costs to the Trust to ensure they are maintaining older ambulances on the roads whilst they wait for the new ones. During 2024/25, the majority of delayed ambulance had been received and at the year end, the Trust were not waiting on a significant number to be delivered. We do not consider there to be a weakness in the Trust's arrangements in this instance, and we consider that SCAS have reasonably done all they could to mitigate the risks to these delays and the factors at play being outside of the Trust's control. The Finance and Performance Committee have oversight and track improvements for ensuring that the Trust's plan to have no ambulance older than five years old in on the road by 31 March 2026.

## **Performance monitoring**

The main focus in operational areas tends to be on KPI's such as; cycle time, utilisation and staff absences. For each service the Trust provides there is a contracted set of KPI's. These are monitored locally within each service, through the contract management process with the commissioners of these services and by the Trust Board, through directorate reports and the Integrated Performance Report (IPR). The IPR covers the main national and contractual measures, as well as quality and workforce information. The financial performance of each major service line and contract is reported to the Trust Board through the monthly finance report.

The Trust use performance information, such as CQC report outcomes, to assess their performance and identify improvements. Since the 2024/25 year end, the Trust received an unannounced inspection of their north and south Emergency Operations Centre (EOC), with 17 site visits in total. Whilst the final report has not yet been received, no initial concerns have been raised. As reported to Board in May 2025, a separate Well-Led inspection is also anticipated by CQC but has not yet been scheduled.

## **Procurement**

The Trust's procurement team engage with finance managers to discuss budget expenditure, informing procurement of any forthcoming spend. The procurement team also engage with other Trust support teams to ensure awareness of procurement requirements. The procurement team also maintain a contracts register of suppliers which is

# Improving economy, efficiency and effectiveness

reviewed regularly to identify spend which has not been captured by the procurement process. Once procurement has taken place, contracts for procured services are managed by the appropriate procurement category lead and stakeholder lead. Each work together to manage the relevant parts of the contract (and supplier) in relation to any KPIs, the specification requirements and any benefits/outcomes which formed the basis for the service award.

In addition, the Trust is now looking at working closely with other ambulances Trusts to consider any efficiencies which can be made from procuring goods and services as a collective to gain better value for money.

## **Summary**

We have considered that the arrangements to secure value for money through improving economy, efficiency and effectiveness in place at the Trust during 2024/25 are appropriate.

# Key recommendations

These recommendations relate to significant weaknesses we have identified during the course of our work. Progressing the actions management has identified to address the recommendations made will support the Trust in addressing the weaknesses identified from our work.

Criteria	Recommendation	Management response
<b>Financial sustainability</b>	No key recommendation made.	n/a
<b>Governance</b>	No key recommendation made.	n/a
<b>Improving economy, efficiency and effectiveness</b>	No key recommendation made.	n/a

# Other recommendations

These recommendations relate to less significant deficiencies or opportunities for improvement we have identified during the course of our work. Progressing the actions management has identified to address the recommendations made will support the Trust in realising the improvement opportunities identified from our work.

Criteria	Other recommendations	Management response
<b>Financial sustainability</b>	The Trust should ensure that post implementation reviews are completed for CIPs which they have achieved to ensure that service delivery is not impacted negatively.	The Trust acknowledges the importance learning lessons from Cost Improvement Plans (CIPs) to ensure that financial efficiencies do not adversely impact service quality or patient outcomes - QIAs are done and any lessons learnt will be taken forward and PIR carried out as appropriate. We are committed to all findings reported to the Financial Sustainability and Development Group (FSDG), FRG, EMC, F&PC and the Quality Committee and upward report to the Board as appropriate. This approach will support continuous learning, ensure alignment with strategic objectives, and provide assurance to the Board that cost savings are being delivered in a sustainable and safe manner.
<b>Financial sustainability</b>	The Trust should ensure that timely and accurate monitoring of CIPs is completed and reported to the relevant committees, to ensure any slippage is identified and mitigated as soon as possible.	The Trust fully agrees with the recommendation and recognises the critical importance of robust, timely, and accurate monitoring of Cost Improvement Plans (CIPs) to ensure delivery against financial targets and to mitigate any emerging risks. To strengthen oversight, the Trust will enhance its existing CIP governance framework by: <ul style="list-style-type: none"> <li>• Ensuring all nodes/sector/directorate, etc submit monthly updates on CIP progress, including risk ratings and delivery status.</li> <li>• Escalating any slippage or underperformance to the Financial Sustainability and Development Group (FSDG), Financial Recovery Group, EMC, and Finance and Performance Committee for timely intervention.</li> </ul> These measures will support proactive decision-making and ensure that corrective actions are taken promptly to maintain financial resilience.

# Other recommendations

Criteria	Other recommendations	Management response
<b>Financial sustainability</b>	<p>The Trust should ensure that they have identified significant risks, challenges and pressures that are relevant to its medium terms plans and ensure that a strategy is in place to address this.</p>	<p>The Trust acknowledges the importance of proactively identifying and addressing significant risks, challenges, and pressures that may impact the delivery of its medium-term financial and operational plans.</p> <p>To strengthen our strategic planning, the Trust is:</p> <ul style="list-style-type: none"><li>• Finalising its medium term plan as well as its Medium-Term Financial Plan (MTFP), which incorporates known cost pressures, workforce challenges, and system-wide changes.</li><li>• Aligning the MTFP with the Fit for the Future strategic framework and Integrated Care System (ICS) priorities.</li><li>• Enhancing risk identification through regular scenario planning and sensitivity analysis, with oversight from the Financial Sustainability and Development Group (FSDG), FRG, EMC, etc</li><li>• Embedding a structured risk escalation process to ensure timely Committees and Board-level visibility and response.</li></ul> <p>These actions will ensure that the Trust’s medium-term strategy is both resilient and responsive to emerging pressures, supporting sustainable service delivery.</p>
<b>Governance</b>	<p>The Trust should continue to monitor progress made against the 2023 finance undertakings and remaining action points which have been included in a revised set of 2024 undertakings, ensuring reporting to Board in a timely manner and focusing on actions becoming embedded within the Trust.</p>	<p>The Trust acknowledges the importance of maintaining momentum in delivering the financial undertakings agreed in 2023 and ensuring that outstanding actions are effectively addressed through the revised 2024 undertakings. We are committed to robust monitoring of progress against these actions, with clear accountability and ownership at both operational and executive levels. To support this, the Trust will continue to provide regular and timely updates to Committees or Board as appropriate, ensuring that reporting is transparent, and aligned with the agreed milestones. Particular focus will be placed on embedding these actions into the Trust’s core financial governance and operational processes, to ensure sustainable improvement and long-term financial resilience. Progress will be tracked through established performance management and accountability frameworks and any emerging risks or delays will be escalated promptly with appropriate mitigation plans.</p>

# Other recommendations

Criteria	Other recommendations	Management response
<b>Governance</b>	The Trust should ensure that all relevant information for our value for money assessment is provided to the audit team in a timely manner and be offered proactively to evidence progress made by the Trust in a clear and concise way.	The Trust fully recognises the importance of supporting the value for money (VfM) assessment through the timely and proactive provision of relevant information. We are committed to working collaboratively with the audit team to ensure that all necessary evidence is shared in a clear, concise, and structured manner. To facilitate this, the Trust will implement a coordinated approach to information collation and submission, led by the governance and finance teams, with oversight from executive leadership. This will include early identification of key documentation, progress updates, and supporting evidence that demonstrate the Trust's improvements and outcomes against VfM criteria. And look to start the work earlier with the auditors, ensuring that regular communication channels are maintained with the audit team to anticipate information needs.
<b>Improving economy, efficiency and effectiveness</b>	No other recommendations made.	n/a

# Follow up of prior recommendations

Criteria	Recommendation	Type	Date raised	Progress to date	Addressed at year end?	Further action needed
<b>Financial sustainability</b>	We recommend that the Trust closely monitor the achievement of recurrent and non-recurrent efficiency targets for 2024/25, ensuring full engagement and accountability from efficiency owners within the Trust. Developing an action tracker for PTS and monitoring against this will be critical to the Trusts FRP success and should be regularly monitored, reported and constructively challenged by the Board.	Key	2023/24	Please refer to our Financial Sustainability earlier on within this report.	Yes	No further action required. We have noted an “other” recommendation for the Board to consider.
<b>Financial sustainability</b>	We continue to recommend that an MTFP is developed, evaluated for robustness, and approved by the Board as soon as practicable.	Key	2022/23 2023/24	This was not in place during 2024/25 or by the year end. The Trust are currently developing a three year plan and working closely with SECAmb to develop a joint three year plan by August 2025.	No	We have included this as an “other” recommendation.
<b>Governance</b>	We recommend that the Trust closely monitors its progress of the Improvement Programme and that the responsible executive leads are held accountable for non-delivery by the Board. Where progress is delayed, mitigating actions should be determined in a timely way, with realistic and achievable actions set to enable the Trust to continue to deliver, promoting shared responsibility for delivery between the executive leads. The Board should satisfy itself that revised delivery arrangements are robust.	Key	2023/24	Please refer to our Governance commentary earlier on within this report.	In progress	Please refer to page 27 setting out our recommendation for 2024/25.

# Follow up of prior recommendations

Criteria	Recommendation	Type	Date raised	Progress to date	Addressed?	Further action needed
<b>Improving economy, efficiency and effectiveness</b>	No recommendations were made in the prior period.	n/a	n/a	n/a	n/a	n/a
<b>Financial statement-leavers testing</b>	Management should ensure appropriate controls are in place to maintain evidence in relation to leavers.	Other	2023/24	No issues were identified in our leavers testing therefore satisfied recommendation has been actioned.	Yes	No
<b>Financial statement-Journals review</b>	Management should ensure that all approvals can be evidenced and to ensure that there is a clear audit trail for this.	Other	2023/24	No issues were identified in our review of journals approvals for journals selected for testing, therefore satisfied recommendation has been actions.	Yes	No
<b>Financial statement-Journals approvals</b>	Management should ensure that journals are reviewed before being posted into the ledger to ensure that controls are preventative.	Other	2023/24	Retrospective approval still takes place at the Trust and therefore recommendation remains open.	No	Yes

# Follow up of prior recommendations

Criteria	Recommendation	Type	Date raised	Progress to date	Addressed?	Further action needed
<b>Financial statement- Income contracts not signed</b>	Management should ensure that they have signed contracts in place for their revenue contracts for each financial year.	Key	2023/24	We are satisfied that from testing performed over income in 2024/25 all contracts viewed have been signed by the relevant parties.	Yes	No further action required.
<b>Financial statement- Remuneration Report</b>	As a priority, management should: <ul style="list-style-type: none"> <li>- Read the guidance set out in the FT ARM and support guidance provided by NHS BSA for the disclosure requirements of Senior Managers.</li> <li>- Ensure that the draft disclosure and supporting workings clearly comply with the requirements and;</li> <li>- Implement a thorough internal review process of the information before it is provided to audit to ensure management are not solely depending on audit to identify these issues.</li> </ul>	Key	2023/24	We have continued to identify errors within the remuneration report therefore recommendation from prior year has not been fully implemented.	No	Yes
<b>Financial statement- Fixed asset register</b>	Management should: <ol style="list-style-type: none"> <li>1. Ensure that assets included on the fixed asset register as individually identifiable.</li> <li>2. Perform a review of assets included on the fixed asset register to identify any assets which are no longer in use by the Trust which have been disposed of.</li> <li>3. Perform a review of the fixed asset register, with a focus on historic assets, to improve the information included on the fixed asset register.</li> </ol>	Key	2023/24	We are satisfied from audit work performed this year all recommendations raised in relation to this prior year issue have been resolved.	Yes	No further action required.

# Follow up of prior recommendations

Criteria	Recommendation	Type	Date raised	Progress to date	Addressed?	Further action needed
<b>Financial statement-Annual Report</b>	Management should have a clear accountable individual who is responsible for producing the annual report to specific deadlines. Management should also ensure an appropriate review process is in place to ensure a good quality draft annual report is provided to audit.	Key	2023/24	The annual report was provided to audit later than the annual accounts however earlier than the previous year but was incomplete. Recommendation from prior year has not been fully implemented.	No	Yes
<b>Financial statement-Income</b>	Management should ensure an appropriate review process is in place to ensure good quality working papers are provided to audit.	Key	2023/24	We are satisfied that improvement has been made on the timeliness of provision of income working papers to audit and the quality of these have improved from the prior year. We are satisfied this recommendation from the prior year has been resolved.	Yes	No further action required.
<b>Financial statement-Valuation of land and buildings</b>	Whilst we appreciate management are relying on the valuer as their third-part expert, they should still be providing adequate challenge to understand the basis of valuation, assumptions used and key drivers for material changes.	Key	2023/24	Movements of valuations were within expectation for 2024/25 financial year therefore no challenge from management to the valuer was required.	Yes	No further action required.

