



Partneriaeth  
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Shared Services  
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Audit and Assurance Services



Pwyllgor Gwasanaethau  
Ambwlans Brys  
Emergency Ambulance  
Services Committee

## **Governance and Performance**

### **Internal Audit Report**

### **Emergency Ambulance Services Committee**

**May 2019**

**NHS Wales Shared Services Partnership**

**Audit and Assurance Services**

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**Disclaimer notice - Please note:**

This audit report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the Internal Audit Charter and Annual Plan, approved by the Audit Committee.

Audit reports are prepared by the staff of the NHS Wales Shared Services Partnership – Audit and Assurance Services, and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of the Emergency Ambulance Services Committee and no responsibility is taken by the Audit and Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.

## 1. Introduction and Background

The review of governance and performance within the Emergency Ambulance Services Committee ('EASC' or the 'organisation') was completed in line with the 2018/19 Internal Audit plan.

Emergency ambulance services in Wales are commissioned by the seven local health boards on behalf of the people of Wales through the Emergency Ambulance Service Committee (EASC). The Emergency Ambulance services are provided by a single national organisation – Welsh Ambulance Services NHS Trust (WAST).

EASC was established on the 1 April 2014 and is hosted by Cwm Taf Morgannwg University Health Board. EASC acts on behalf of the health boards in holding WAST to account as the provider of emergency ambulance services.

The relevant lead for the assignment is the Chief Ambulance Service Commissioner.

## 2. Scope and Objectives

The objective of the audit was to evaluate and determine the adequacy of the systems and controls in place for governance and performance management, in order to provide assurance to the Audit Committee that risks material to the achievement of the system's objectives are managed appropriately. The purpose of the review is to establish if appropriate governance and performance management arrangements are in place to ensure that EASC operates effectively and WAST performance is effectively monitored and managed.

The main areas that the review sought to provide assurance on were:

- Appropriate governance arrangements are in place, and are consistent with what was intended when EASC was established and are operating effectively.
- The governance framework is subject to periodic and appropriate review, giving consideration for future changes in the organisation.
- The Joint Committee is operating in accordance with regulations and meetings are being held with the correct frequency, composition and membership.
- Appropriate sub-committees are in place and these are operating effectively and reporting onto the Joint Committee.
- Appropriate mechanisms are in place for monitoring and reporting WAST's performance and actions are taken to address any identified issues.

### 3. Associated Risks

The potential risks considered in the review were as follows:


- The objectives of the Committee are not achieved.
- Areas of poor performance are not identified and addressed.

## **OPINION AND KEY FINDINGS**

### 4. Overall Assurance Opinion

We are required to provide an opinion as to the adequacy and effectiveness of the system of internal control under review. The opinion is based on the work performed as set out in the scope and objectives within this report. An overall assurance rating is provided describing the effectiveness of the system of internal control in place to manage the identified risks associated with the objectives covered in this review.

The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with governance and performance is reasonable assurance.

RATING	INDICATOR	DEFINITION
<p><b>Reasonable assurance</b></p>		<p>The Board can take <b>reasonable assurance</b> that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with <b>low to moderate impact on residual risk</b> exposure until resolved.</p>





We identified that overall there are functioning arrangements in place for control and governance within EASC, with a good structure in place for the monitoring of ambulance quality indicators.

However, we identified issues surrounding the attendance of key members, and ensuring appropriate quorum requirements are met throughout the various groups and committees of EASC.

The overall level of assurance that can be assigned to a review is dependent on the severity of the findings as applied against the specific review objectives and should therefore be considered in that context.

## 5. Assurance Summary

The summary of assurance given against the individual objectives is described in the table below:

Assurance Summary					
1	Appropriate governance arrangements are in place.			✓	
2	The governance framework is subject to periodic and appropriate review.				✓
3	The Joint Committee is operating in accordance with regulations.			✓	
4	Appropriate sub-committees are in place and these are operating effectively.			✓	
5	Appropriate mechanisms are in place for monitoring and reporting WAST's performance.				✓

\* The above ratings are not necessarily given equal weighting when generating the audit opinion.

### Design of Systems/Controls

The findings from the review have highlighted no issues that are classified as weaknesses in the control design for governance and performance.

### Operation of System/Controls

The findings from the review have highlighted four issues that are classified as weakness in the operation of the designed control for governance and performance.

## 6. Summary of Audit Findings

In this section, we highlight areas of good practice that we identified during our review. We also summarise the findings made during our audit fieldwork. The detailed findings are reported in the Management Action Plan (Appendix A).

### **Objective 1 - Appropriate governance arrangements are in place, and are consistent with what was intended when EASC was established and are operating effectively.**

We note the following areas of good practice:

- Operational arrangements have been evolving since EASC's establishment and version controls have been maintained. These include various delivery plans for service development.

We identified the following finding:

- The current version of the standing orders is not fully complete. For example, the scheme of delegation to emergency ambulance services team and officers is not complete.

### **Objective 2 - The governance framework is subject to periodic and appropriate review, giving consideration for future changes in the organisation.**

We note the following area of good practice:

- The Quality and Delivery Framework for Emergency Ambulance Services was last updated and presented to the Joint Committee for approval/ endorsement in March 2018 to cover the 2018/19 financial year.

We did not identify any findings under this objective.

### **Objective 3 - The Joint Committee is operating in accordance with regulations and meetings are being held with the correct frequency, composition and membership.**

We note the following areas of good practice:

- The purpose and delegated functions of the Joint Committee are documented within the standing orders and include the Committee's roles, membership and quorum requirements, member's responsibilities and accountability and reporting activity.
- The Joint Committee meetings follow a structured approach and the committee receives regular reports on items including action logs, Chair's reports, finance, quality indicators and updates from sub groups.

We identified the following finding:

- We identified that key members of the Joint Committee meeting were not always in attendance.

### **Objective 4- Appropriate sub-committees are in place and these are operating effectively and reporting onto the Joint Committee.**

We note the following areas of good practice:

- Two sub groups have been established (Joint Management Assurance Group and Planning Development and Evaluation Group) with detailed terms of reference highlighting, for example, scope and duties, authority, membership, quorum requirements and frequency of meetings.
- Both of the sub groups report formally, regularly and on a timely basis to the Joint committee, this includes verbal updates and written reports.

We identified the following findings:

- We identified that key members of the sub-committee meeting were not always in attendance.
- The structure of meetings does not include items such as declarations of interest.

### **Objective 5 - Appropriate mechanisms are in place for monitoring and reporting the Welsh Ambulance Services performance.**

We note the following areas of good practice:

- Thirty nine Ambulance Quality Indicators were developed to monitor and improve performance across the 5 Step Ambulance Care Pathway. These indicators are all made publically available on a quarterly basis.
- The Joint Committee receives regular overview reports of the most recent quarterly data and also the full published data sets. In addition where specific reviews have taken place, e.g. Amber review the joint committee has considered the issues and concerns of the report.

We did not identify any findings under this objective.

## **7. Summary of Recommendations**

The audit findings and recommendations are detailed in Appendix A together with the management action plan and implementation timetable.

A summary of these recommendations by priority is outlined below.

<b>Priority</b>	<b>H</b>	<b>M</b>	<b>L</b>	<b>Total</b>
<b>Number of recommendations</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>4</b>

<b>Finding 1 Standing Orders (Operating effectiveness)</b>	<b>Risk</b>
<p>The Emergency Ambulance Services Committee is a joint committee of each Local Health Board in Wales, established under the Emergency Ambulance Services Committee (Wales) Regulations 2014. We confirmed with the Interim Board Secretary that revised Standing Orders were approved at the February 2019 EASC Joint Committee. We requested a copy of the Standing Orders and were provided with a version that had varying dates throughout (February 2017 and February 2018). Based on the version of the Standing Orders provided, the following points were noted:</p> <ul style="list-style-type: none"> <li>• The dates relating to the Memorandum of Agreement and hosting agreement have not been completed.</li> <li>• The scheme of delegation to emergency ambulance services team and officers is not completed.</li> <li>• The terms of reference for the advisory groups and expert panel section has not been completed.</li> <li>• The delegation of powers to committees' does not reflect the current sub-committee set up.</li> </ul>	<p>The objectives of the Committee are not achieved.</p>

<b>Recommendation 1</b>	<b>Priority level</b>
The Standing Orders should be reviewed and updated where appropriate to reflect currently operations within EASC.	<b>Medium</b>
<b>Management Response</b>	<b>Responsible Officer/ Deadline</b>
Management agree with the findings and will review the Standing Orders to reflect the current operations within EASC.	Stephen Harray - July 2019

<b>Finding 2 - Joint Committee (Operating effectiveness)</b>	<b>Risk</b>
<p>We reviewed four sets of Joint Committee papers for the period March – November 2018 to ensure the committee was operating in accordance with requirements. We identified the following points during our review:</p> <ul style="list-style-type: none"> <li>• Over the four meetings that we sampled, two out of the three associate members (both Chief Executives) did not attend any of the meetings. This issue has been previously identified in other audit reviews.</li> <li>• The Independent Chair appointed by Welsh Ministers ceased involvement with the Joint Committee following the March 2018 meeting and at the November 2018 meeting had not been replaced. However, in the interim, the Joint Committee was chaired by the Chief Executive of Cwm Taf University Health Board. Whilst this individual was not independent, it did allow meetings to continue until the new Independent Chair was appointed.</li> </ul>	<p>The objectives of the Committee are not achieved.</p>
<b>Recommendation 2</b>	<b>Priority level</b>
<p>Members should be reminded of the need to attend joint committee meetings in accordance with the requirement set out in the EASC Standing Orders.</p>	<p><b>Medium</b></p>

<b>Management Response</b>	<b>Responsible Officer/ Deadline</b>
Management agrees with the findings and recommendation and this was completed after the EASC March 2019 meeting.	Dr Chris Turner - Complete

<b>Finding 3 - Joint Management Assurance Group (Operating effectiveness)</b>	<b>Risk</b>
<p>We reviewed three sets of minutes for the Joint Management Assurance Group over the period March to November 2018 to ensure the group was operating in accordance with requirements. We identified the following points during our review:</p> <ul style="list-style-type: none"> <li>• The quorum requirements for the group states that a minimum of 10 members should be in attendance. From our review of minutes during 2018 a quorum was not met for the April and November meetings. We also note a quorum was also not met for November 2017, although this demonstrates that April and November were not isolated incidences.</li> <li>• Attendance at the meetings was particularly poor, with six members not attending any of the meetings sampled, though this only effected quoracy at the April and November meetings.</li> <li>• From our review of the minutes, there was no section where declarations of interest were noted, good governance would be to have a nil return noted if none declared.</li> <li>• No review date was visible on the terms of reference for the group.</li> </ul>	<p>The objectives of the Committee are not achieved.</p>


<b>Recommendation 3</b>	<b>Priority level</b>
<ol style="list-style-type: none"> <li>1. Members should be reminded of the importance of attending meetings. Expand to include wider review of the Terms of Reference.</li> <li>2. Management should consider noting declarations of interest within the meetings.</li> </ol>	<b>Medium</b>
<b>Management Response</b>	<b>Responsible Officer/ Deadline</b>
<ol style="list-style-type: none"> <li>1. Management agrees with the findings and recommendation and will remind members of their respective responsibilities to attend the Joint Management Assurance Group.</li> <li>2. A review of the existing Terms of Reference will be conducted and an ongoing review date established.</li> <li>3. Declarations of interest will be included as part of the meeting requirements.</li> </ol>	<p>Stephen HARRY – September 2019</p>


<p><b>Finding 4 - Planning Development and Evaluation Group (Operating effectiveness)</b></p>	<p><b>Risk</b></p>
<p>We reviewed three sets of minutes for the Planning, Development and Evaluation Group over the period March – November 2018. We identified the following points during our review:</p> <ul style="list-style-type: none"> <li>• The terms of reference for the group has no members nominated from the following NHS organisations:                             <ul style="list-style-type: none"> <li>◦ Powys Teaching Health Board;</li> <li>◦ Public Health Wales NHS Trust; and</li> <li>◦ NHS Wales Informatics Service.</li> </ul> </li> <li>• Attendance at meeting during the period was particularly low, with eight members not attending any of the meetings that we sampled and additional five members only attending one meeting.</li> <li>• Minutes (Action Notes) from meetings do not have a section for declarations of interest, this should be a standard item that is recorded as a nil return if not indicated by members.</li> <li>• No review date was visible on the terms of reference.</li> <li>• The requirements of the group sets out that 12 members, one of whom must be the Chair or in the absence of the Chair, another member will be nominated to Chair, to be quorate. However, our review of the minutes of</li> </ul>	<p>The objectives of the Committee are not achieved.</p>


<p>the March meeting identified only 10 individuals attending and therefore the quorum requirements were not met. On this occasion, this had no impact as no decisions were made during the meeting.</p>	
<p><b>Recommendation 4</b></p>	<p><b>Priority level</b></p>
<ol style="list-style-type: none"> <li>1. Management should review the Terms of Reference for completeness.</li> <li>2. Management should remind members of the importance of attending meetings.</li> <li>3. Management should consider noting declarations of interest at the meetings.</li> </ol>	<p style="text-align: center;"><b>Medium</b></p>
<p><b>Management Response</b></p>	<p><b>Responsible Officer/ Deadline</b></p>
<ol style="list-style-type: none"> <li>1. A review of the existing Terms of Reference will be conducted and an ongoing review date established.</li> <li>2. Management will remind members of their respective responsibilities to attend the Planning Development and Evaluation Group.</li> <li>3. Declarations of interest will be included as part of the meeting requirements</li> </ol>	<p>Stephen Harray – September 2019</p>


## Appendix B - Assurance opinion and action plan risk rating

### Audit Assurance Ratings

 **Substantial assurance** - The Board can take **substantial assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with **low impact on residual risk** exposure.

 **Reasonable assurance** - The Board can take **reasonable assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to **moderate impact on residual risk** exposure until resolved.

 **Limited assurance** - The Board can take **limited assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention with **moderate impact on residual risk** exposure until resolved.

 **No assurance** - The Board can take **no assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention with **high impact on residual risk** exposure until resolved.

### Prioritisation of Recommendations

In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows.

Priority Level	Explanation	Management action
<b>High</b>	Poor key control design OR widespread non-compliance with key controls. PLUS Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
<b>Medium</b>	Minor weakness in control design OR limited non-compliance with established controls. PLUS Some risk to achievement of a system objective.	Within One Month*
<b>Low</b>	Potential to enhance system design to improve efficiency or effectiveness of controls. These are generally issues of good practice for management consideration.	Within Three Months*

\* Unless a more appropriate timescale is identified/agreed at the assignment.