Auditor's Annual Report

North West Ambulance Service NHS Trust – year ended 31 March 2026

June 2026

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Contents

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01

Introduction

Introduction

Purpose of the Auditor's Annual Report

Our Auditor's Annual Report (AAR) summarises the work we have undertaken as the auditor for North West Ambulance service NHS Trust ('the Trust') for the year ended 31 March 2026. Although this report is addressed to the Trust, it is designed to be read by a wider audience including members of the public and other external stakeholders.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 and the Code of Audit Practice ('the Code') issued by the National Audit Office ('the NAO'). The remaining sections of the AAR outline how we have discharged these responsibilities and the findings from our work. These are summarised below.

Opinion on the financial statements
We issued our audit report on 25th June 2026. Our opinion on the financial statements was unqualified.

Value for Money arrangements
We did not identify any significant weaknesses in the Trust's arrangements to secure economy, efficiency and effectiveness in its use of resources. Section 3 provides our commentary on the Trusts arrangements.

Reporting to the group auditor
In line with group audit instructions issued by the NAO, on 1st April 2026 we reported that the Trust's consolidation schedules were consistent with the audited financial statements.

02

Audit of the financial statements

Audit of the financial statements

Our audit of the financial statements

Our audit was conducted in accordance with the requirements of the Code, and International Standards on Auditing (ISAs). The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Trust and whether they give a true and fair view of the Trust's financial position as at 31 March 2026 and of its financial performance for the year then ended. Our audit report, issued on 25th June 2026 gave an unqualified opinion on the financial statements for the year ended 31 March 2026.

A summary of the significant risks we identified when undertaking our audit of the financial statements and the conclusions we reached on each of these is outlined in Appendix A. In this appendix we also outline the uncorrected misstatements we identified and any internal control recommendations we made.

Qualitative aspects of the Trust's accounting practices

We reviewed the Trust's accounting policies and concluded they comply with the Department of Health and Social Care Group accounting manual 2025/26, appropriately tailored to the Trust's circumstances. The draft accounts were received from the Trust on the 27th April 2026 in line with the statutory deadline. The accounts were of a good quality and supported by good quality working papers. The finance team have provided us with timely responses to queries which have assisted with audit progress.

Significant difficulties during the audit

During the course of the audit we did not encounter any significant difficulties, and we have had the full co-operation of management.

Other reporting responsibilities

Reporting responsibility	Outcome
Annual Report	We did not identify any material misstatements or significant inconsistencies between the content of the annual report, the financial statements and our knowledge of the Trust.
Annual Governance Statement	We did not identify any matters where, in our opinion, the Governance Statement did not comply with the guidance issued by NHS England. We also did not identify any matters where, in our opinion, the Governance Statement is misleading or is not consistent with our knowledge of the Trust and other information of which we are aware from our audit of the financial statements.
Remuneration and Staff Report	We report that the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the National Health Service Act 2006.

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03

Our work on Value for Money arrangements

VFM arrangements

Overall Summary

VFM arrangements – Overall summary

Approach to Value for Money arrangements work

We are required to consider whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:

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

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

Improving economy, efficiency and effectiveness - How the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

Our work is carried out in three main phases.

Phase 1 - Planning and risk assessment

At the planning stage of the audit, we undertake work so we can understand the arrangements that the Trust has in place under each of the reporting criteria; as part of this work we may identify risks of significant weaknesses in those arrangements.

We obtain our understanding or arrangements for each of the specified reporting criteria using a variety of information sources which may include:

- NAO guidance and supporting information
- Information from internal and external sources including regulators
- Knowledge from previous audits and other audit work undertaken in the year
- Interviews and discussions with staff and directors

Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest there are further risks of significant weaknesses.

Phase 2 - Additional risk-based procedures and evaluation

Where we identify risks of significant weaknesses in arrangements, we design a programme of work to enable us to decide whether there are actual significant weaknesses in arrangements. We use our professional judgement and have regard to guidance issued by the NAO in determining the extent to which an identified weakness is significant.

We outline the risks that we have identified and the work we have done to address those risks on page10.

Phase 3 - Reporting the outcomes of our work and our recommendations

We are required to provide a summary of the work we have undertaken and the judgments we have reached against each of the specified reporting criteria in this Auditor's Annual Report. We do this as part of our Commentary on VFM arrangements which we set out for each criteria later in this section.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Trust. We refer to two distinct types of recommendation through the remainder of this report:

- **Recommendations arising from significant weaknesses in arrangements -** We make these recommendations for improvement where we have identified a significant weakness in the Trust arrangements for securing economy, efficiency and effectiveness in its use of resources. Where such significant weaknesses in arrangements are identified, we report these (and our associated recommendations) at any point during the course of the audit.
- **Other recommendations -** We make other recommendations when we identify areas for potential improvement or weaknesses in arrangements which we do not consider to be significant, but which still require action to be taken.

The table on the following page summarises the outcomes of our work against each reporting criteria, including whether we have identified any significant weaknesses in arrangements or made other recommendations.

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VFM arrangements – Overall summary

Overall summary by reporting criteria

Reporting criteria	Commentary page reference	Identified risks of significant weakness?	Actual significant weaknesses identified?	Other recommendations made?
Financial sustainability	11	No	No	No
Governance	14	No	No	No
Improving economy, efficiency and effectiveness	18	No	No	No

VFM arrangements

Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services

VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability

Background to the NHS financing regime in 2025/26

The financing regime in 2025/26 has remained challenging, with continued focus on operational performance and increased productivity. This year's operational planning guidance is more focused setting out a small set of priorities, with an emphasis on autonomy, and flexibility.

During the course of the year and into 2026/27, the focus of the funding regime has continued to be recovering core services and productivity following industrial action, and increased demand and pressures on budgets due to inflation. This has facilitated the need for collaborative working between commissioners and service providers, as local systems were expected to work together to deliver a balanced position in 2025/26, with a focus around improving productivity, reducing temporary staffing spend and off-framework agency expenditure. The planning guidance for 2025/26 continued to support the transition back to local agreement of contracts and requires systems to achieve a break even position each year. This will necessitate further collaboration through the planning process, as individual organisations work together to achieve system-level outcomes.

For the ambulance sector, the delivery of Urgent and Emergency Care (UEC) services has been under growing pressure in recent years, and since the pandemic the sector has had to deal with a combination of issues affecting the flow of patients into, through and out of the hospital. The impact of this is most visible in A&E performance with hand over delays being a major contributor to issues in performance. A delivery plan for UEC has been developed to recover this position. This continued to be implemented in 2025/26, which includes additional recurrent funding for UEC to grow the workforce, and developing new ways to ensure the patient is on the most appropriate pathway. This includes maintaining the increased ambulance capacity, continue to increase both hear and treat and see and treat performance through increasing clinical assessment of calls in ambulance control centres, and setting the Category 2 target to an average of 30 minutes across 2025/26.

In 2025/26 all Integrated Care Systems (ICS) across the North West continued with block contract and local payment arrangements for NWAS Paramedic Emergency Services (PES), Patient Transport Service (PTS) and 111. Contract income was based on nationally calculated block payments, which have been uplifted for pay and non-pay inflation and reduced for the national efficiency target.

2025/26 Financial performance

We have undertaken a high level analysis of the financial statements, including the Statement of Comprehensive Income, the Statement of Financial Position and the Statement of Changes in Taxpayers Equity. Operating performance has fallen from a surplus of £1.8m to a deficit of £5.9m, this deterioration in financial performance in 2025/26, is due to an increase in impairments by £13.2m arising from the valuation of the land and buildings. Based on the adjusted financial performance for the year, on a control total basis, a £10.6m surplus is reported compared with a surplus of £6.3m in the 2024/25 year. This improvement in financial performance is partially due to transport costs, which are £4.3m underspent against the plan.

Operating expenditure has increased from £553m in 2024/25 to £605m in 2025/26. This £52m increase in expenditure in year is largely driven by inflation and increases in staffing costs following the pay award and UEC investment. The operating expenditure charge for impairments has also increased by £13.2m in 2025/26 compared to the prior year, largely due to the new Liverpool HART site becoming operational in year, although this charge does not impact on the overall financial control total for the Trust.

The Statement of Financial Position also shows an improved position with total net assets of £125.3m at 31 March 2026 (£114.2m at 31 March 2025). This includes an increase of £10.2m in cash and cash equivalents, and a £4.6m increase in receivables. The Trust's cash position continues to remain stable at £69.5m at 31 March 2026 (£59.1m at 31 March 2025).

The Trust's arrangements and approach to 2026/27 financial planning

The planning arrangements for 2026/27 have changed as the NHS has been granted a 3 year revenue settlement covering 2026/27 to 2028/29 and a 4 year capital settlement covering 2026/27 to 2029/30. This move away from annual planning cycles to a medium term financial cycle, enables longer term planning to support more robust delivery and improved decision making locally.

The Trust submitted a financial plan to the Lancashire and South Cumbria Integrated Care System (ICS) that contributes to a break-even position for the ICS for the year. As a service provider across the North West, NWAS also works closely with the other four ICSs in order to develop its financial plans. The Trust's Finance team co-ordinates the annual budget process – drawing on input from colleagues across the Trust – with Executive oversight through reporting to Resources Committee and Trust Board.

Overall commentary on the Financial Sustainability reporting criteria – continued

The Trust's arrangements and approach to 2026/27 financial planning continued

The Trust has actively engaged with the ICS partners on the key aspects of local & ICS system financial and operational planning. For example, the Trust has followed the 'Waste Reduction and Financial Improvement' principles agreed across Lancashire and South Cumbria ICB, which set out what can be classed as an efficiency savings and when they can be recognised. The annual planning and budget setting exercise includes the identification and quantification of financial and operational risks. Financial plans are considered by the Resources Committee prior to receiving Board approval. The Board and relevant sub-committees are kept updated on longer term financial modelling assumptions via regular reporting from the Executive Director of Finance. We have seen evidence of this through review of minutes from Resources Committee and full Board meetings

NWAS submitted the initial financial pan for 2026/27 to NHSE on the 17 December 2025, the Trust has set a breakeven budget for 2026/27 and the subsequent 2 years, underpinned by assumptions around additional allocations for inflation, UEC performance improvements, and efficiency savings. The efficiency target has remained stable at 2.56% (2.7% in 2025/26) of gross expenditure, this is still below the average across the system. The Trust continues to devote significant resources to working with colleagues across the ICS to deliver a balanced financial position. The Trust understands it's role within the ICS and the pressures on all partners within the system.

The Board Assurance Framework (BAF) continues to include appropriate financial risks and metrics. Financial planning and monthly reporting documents highlights risks. The Trust's risk register and BAF offer a formalised process for risk reporting and management, encompassing the identification of principal financial risks and their mitigation measures.

We reviewed the assumptions underpinning the 2026/27 financial plan, the reports prepared to the Board, and the minutes of relevant meetings where the financial plan was considered. In our view the assumptions made by management appears reasonable, the reports were clear and concise, and the Boards scrutiny was evident and appropriate. The risks associated with the plan, including those related to Cost Improvement Programmes (CIPs), were clearly articulated. As mentioned above the Trust performed better than its financial target for the 2025/26 financial year over-achieving its approved breakeven financial plan. This is further evidence of the Trust's effective management arrangements of its finances.

The Trust's arrangements for the identification, management and monitoring of funding gaps and savings

In recent years, the Trust has operated within its financial performance targets including achievement of the breakeven duty. The financial plan for 2025/26 included a recurrent productivity and efficiency target of £14.9m. The Trust has reported progress against the target to Resources Committee as part of its regular finance reports, by month 12, the Trust had successfully achieved its saving target in-year, with a £0.5m recurrent shortfall which was then built into 2026/27 planning, demonstrating that plans are robust and that there is monitoring and accountability for the delivery of the savings plans consistent with previous years.

For 2026/27 the Trust needs to deliver a £15.4m recurrent efficiency programme to achieve a balanced financial plan, equivalent to 2.56% of gross operating expenditure. Through the 2026/27 planning process the Trust has identified £13.3m of recurrent Cost Improvement Programmes (CIPs – that is the Trust's savings plan) that have fully developed plans, £2.1m remains unidentified. The efficiency and productivity targets for 2026/27 have been allocated to service areas and further work is underway with budget holders and senior leadership teams to agree and finalise schemes.

Each of the schemes will also be assessed against Equality and Quality Impact assessments (EQIA) criteria where required and formally signed off by the Director of Quality & Improvement and the Medical Director. The plans are considered by the Trust Management committee, Quality & Performance committee and the Resources committee, ensuring that there is monitoring of the progress and development of schemes are on track. Although, at the time of writing this report, there are unidentified efficiencies within the plan, we do not consider this gap to present a risk to financial sustainability. The Trust should continue in its efforts to identify plans to address the remaining gap.

Based on the above considerations we are satisfied there is not a significant weakness in the Trust's arrangements in relation to financial sustainability.

VFM arrangements

Governance

How the body ensures that it makes informed decisions and properly manages its risks

VFM arrangements – Governance

Overall commentary on the Governance reporting criteria

The Trust's decision making arrangements and control framework

The Trust has an established governance structure in place which is set out within its Annual Governance Statement. This is underpinned by the Trust's Core Governance Documents. Executive Directors have clear responsibilities linked to their roles and the Board Sub-Committee structure in place at the Trust allows for effective oversight of the Trust's operations and activity.

All Board and Committee reports have a mandatory cover schedule setting out the purpose of the paper, recommendations and actions required. They also include a summary of key elements including the relevant strategic objectives. This is in line with best practice.

We are satisfied that appropriate arrangements are in place to ensure that all relevant information is provided to decision makers before major decisions are made, and that there are arrangements for challenge of such decisions before they are made.

The Trust's core governance documents are reviewed on an annual basis and updated in line with latest best practice. During 2025/26 the Trust's Standing Orders, Standing Financial Instructions and Scheme of Delegation were subject to review by the Trust Management Committee and Audit Committee prior to being approved by the Board of Directors. We have confirmed this through our review of Board and committee minutes and papers, and our attendance at Audit Committee meetings. Our review of audit committee minutes, and discussions with officers, has not identified any instances of non-compliance in relation to the Trust's standards and policies in place during the year.

Financial investment decisions are supported by full business cases and are reviewed by the Trust Management Committee (TMC). Business cases set out the strategic objectives of the project and include a full option appraisal analysis taking account of both financial and non-financial factors of all options including 'Do nothing'. Once approved by TMC projects are taken to Resources Committee to allow for scrutiny prior to final Board sign off in line with the Trust's Scheme of Delegation.

The Trust has adopted a Standards of Business Conduct policy which is aligned to the national model policy. Registers of gifts, hospitality and interest are maintained and compliance with the policy is reported to the Audit Committee on a regular basis.

The Trust outsources its local counter fraud services to Mersey Internal Audit Agency. The Trust has in place a counter fraud policy, which has been reviewed by the Audit Committee. The work of the Local Counter Fraud Specialist is reported to the Audit Committee at every meeting.

Key regulatory returns are reviewed as part of the Trust's governance structure – for example, despite not being a Foundation Trust, the Trust is compliant with the NHS Foundation Trust Code of Governance. The annual self certifications that are legally required to be completed have been submitted.

The Trust has a full suite of governance arrangements in place. These are set out in the Trust's Annual Report and Annual Governance Statement. We reviewed these documents as part of our audit and confirmed they were consistent with our understanding of the Trust's arrangements in place.

The Trust's risk management and monitoring arrangements

Risk management at the Trust is guided by the Risk Appetite Statement, in 2025/26 there was a full review by executives and non-executives, which is approved by the Board on an annual basis.

The Policy on Risk Management defines several levels of risk registers and sets clear responsibilities for the timing of review of the registers at each level. The culmination of this is the corporate risk register, reviewed by Board on a quarterly basis, and which is integrated into the Board Assurance Framework. The BAF outlines 10 strategic risks linked to the strategic priorities of the Trust. These are linked to the Trust's Risk Appetite Statement as appropriate. Any risk on the Corporate Risk Register with a score of 15 or more is reported in the BAF as part of regular reporting to the Board.

There is a robust process in place that includes mandatory training in managing risk, which is tailored to seniority, a central team is in place for risk and incident management. The incident and risk database has been upgraded to improve useability for staff.

VFM arrangements – Governance

Overall commentary on the Governance reporting criteria - continued

The Trust's risk management and monitoring arrangements - continued

Our review of the BAF confirmed that each risk is assigned a lead director. The 3 leading risks relate to service delivery and resources. The risk profile, in comparison to the prior year, has remained stable as hospital handover times improve and have a positive impact on ambulance response times. The reporting to Committee is clear and transparent, with a clear demonstration of controls, assurance and evidence in place. In addition, there is a plan of action and timescales detailed for each risk which is updated with regards to progress, allowing the Committee to scrutinise progress.

The Trust gains assurance over the effective operation of internal controls through its internal audit function provided by Mersey Internal Audit Agency (MIAA). Each year the Internal Audit Plan is developed with Trust management and reviewed by Audit Committee to ensure appropriate coverage against the Trust's strategic risks. Internal audit has a representative at each of the audit committee meetings and progress against the plan is reported alongside a report detailing progress made against any critical and high risk recommendations.

The work of internal audit culminates in the annual Head of Internal Audit Opinion which for 2025/26 provides substantial assurance over the system of internal controls at the Trust. Through meetings with internal audit, our review of the internal audit reports, along with the review of audit committee minutes and supporting documents, we have not identified any significant gaps in the assurance the Trust receives over matters in the work programme.

The Trust also employs MIAA to provide anti-fraud services. The Annual Anti-Fraud Report presented to Audit Committee in April 2026 confirms the level of work that has been undertaken in year. A major area of work undertaken in 2025/26 was the local preventative exercise (LPE) in relation to the new corporate fraud offence of 'failure to prevent fraud' (FTPF) which came into force in September 2025, ensuring that relevant associate persons are made aware of their responsibilities in relation to new legislation. There is continued work with the communications team to promote the fraud presentations to new paramedics, call handlers and PTS staff throughout the year, and regular newsletters and intelligence bulletins, which ensures that counter-fraud is something practiced by the whole organisation.

The results of the Trust's self assessment against the Government functional standard 013 for Counter Fraud 2025/26 assessed the Trust with an overall 'Green' rating, consistent with the prior year, across all twelve components in the Counter fraud Functional Standard Return.

The Trust's arrangements for budget setting and budgetary control

The Trust's budget setting process is based on national guidelines which sets out the assumptions and processes in place. The outcome of the Trust's baseline budget setting process is set out in the previous section.

Budgetary control guidelines are shared annually with all budget managers and formal sign off of the budget is obtained from the budget manager. We have reviewed a sample of budgets and confirmed the budget holder had signed off their budget as approved as part of the budget setting process.

Following consolidation of the individual operational budgets, the Trust-wide plan is taken through the Trust governance process including the Resources Committee and Board of Directors. Our review of minutes confirms this to be the case with papers covering the Trust's I&E position, statement of financial position, forecast cash and capital expenditure and links into the Trust's planned efficiencies.

Budgetary control is a continuous process at the Trust. The Trust is required to formally report its financial position and forecast outturn at each month end to NHSE. As part of these monthly returns, and annual planning rounds, the Trust is required to submit a triangulation file which reconciles activity, workforce and finance returns to ensure consistency. We have reviewed an example of the monthly return alongside the year-end return submitted to NHSE. In each case the return reconciles to the financial position reported to the Resources Committee.

As set out in the previous section the financial position is reported to the Resources Committee each month and includes sufficient detail to allow for effective review and challenge at the senior leadership level.

VFM arrangements – Governance

Overall commentary on the Governance reporting criteria - continued

Regulators – Care Quality Commission (CQC)

The latest CQC inspection report of the Trust was published in July 2022. This was around “urgent and emergency care” and focused pressure resilience inspections in the North West, covering the North Mersey and South Cumbria & Lancashire areas, together with an NWAS organisation review The overall CQC rating for the Trust remains ‘Good’. The Trust is currently working with the CQC, under the new arrangements of the Single assessment framework, this requires the Trust to provide information and evidence on a rolling basis, so that there is continuous assessment against the quality statements. To date there has been no change to the overall assessment of ‘Good’,

The Trust has also been subject to an inspection by OFSTED in July 2025 of the level 4 Associate Ambulance Practitioner Apprenticeship provision. The inspection had an overall grade of ‘Good’, whilst the inspection also identified areas of good practice and positive learning experiences, areas were identified for improvement. The Trust has developed a quality improvement plan to address these gaps.

The Trust has also engaged the Good Governance Institute (GGI) to undertake a governance review to support the Trust in its current leadership , governance and management maturity. The headline findings have been positive with the Trust having a clear vision and strategy in place, in relation to risk management the review found that there is a well designed and well established process encompassing both strategic and operational risks.

Based on the above considerations we are satisfied there is not a significant weakness in the Trust’s arrangements in relation to governance.

VFM arrangements

Improving Economy, Efficiency and Effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services

VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on the Improving Economy, Efficiency and Effectiveness reporting criteria

The Trust's arrangements for assessing performance and evaluating service delivery

The Board of Directors continues to receive monthly integrated performance reports detailing the Trust's performance against an agreed set of key metrics. The data has been reported on a consistent basis and explanations provided for performance.

- Long waits for Category 1 (calls from people with life-threatening illnesses and injuries) and Category 2 (emergency calls) calls have both fallen consistently and have been on a path of reducing rates, with notable improvements in high demand periods, for example there was a 39% reduction in C2 long waits in December 2025 compared to the previous year. These improvements are linked to the improvements made upstream as Category 2 calls are segmented and patients are put on more appropriate pathways promptly; this has led to resources being allocated more effectively reducing waiting times.

- Hospital handover average turnover has improved to 40m:52s compared to 41m:13s in the same month in the prior year. However, the metric continues to be above the 30-minute target set. Analysis of this has identified where work by the regional leadership team can be targeted to relevant trusts.

- Calls which resulted in non-conveyance was 44% compared to 42.3% for the prior year, patients were able to be dealt with via hear and treat and see and treat thereby freeing up resources to deal with more patients. The overall improvements are due to a number of factors including better management of frequent callers, improved navigation processes and better use of the clinical assessment service, ensuring patients are directed to the most appropriate setting.

- The Trust ARP (Ambulance Response Programme) standards were met for C1 90th the remaining standards were not met during the year due to continued pressure around hospital handover. However, the Trust is making positive progress and reducing the ambulance response time, for example the C2 90th response time has reduced from 56m:49s in February 2025 to 53m:32s in Feb 2026. Supporting that continued investment in approaches that ensure demand is correctly directed is having a positive impact on performance. Furthermore, the Trust has met the UEC recovery standard of 30 minutes for the Category 2 measure at 27m:08s. These improvements are being delivered through initiatives funded by the UEC funding, a continued drive to improve hear & treat and see & treat rates and improving handover times.

Work has continued on hospital handover during 2025/26 NWAS has deployed ambulance liaison officers to the busiest hospitals to help coordinate the release of ambulances. NWAS has ensured that it has a presence at ICB handover improvement working groups, which include acute hospitals, wider system partners, and NHS England regional team to collaborate on handover improvement.

Whilst there are performance issues noted, these are not issues isolated to NWAS as a Trust and are inherent across the Ambulance Trust sector. The issues are being reported to the Board on a regular basis, and action taken to try and address the issues. This is indicative of transparent reporting, and the Trust demonstrates that it aims to identify the root causes and is able to work both internally and with others in the health care system to improve performance.

During 2025/26, NHS England began publishing the Trust's performance against the NHS Oversight Framework. NWAS is measured as being within segment 1 of Ambulance Trusts, which is defined as those Trusts facing the narrowest range of challenges. It is ranked 3rd out of 10 Trusts as at Quarter 4, the latest data available. The Trust is graded as High Performing in three of the five domains, above average in one domain, and below average against the People and Workforce domain. The below average rating is driven mainly by the Trust's sickness absence rate. This is actively monitored by the Trust through Resources Committee and the Board.

The Trust's arrangements for effective partnership working

The Trust has in place a framework to set out their commitment to patient, public, and community engagement. The key objectives include sharing of information, increasing awareness and advice in relation to the different ambulance services lines, and supporting a proactive approach to receiving patient engagement feedback.

NWAS has continued to expand its extensive engagement strategy with multiple stakeholder groups. The Trust now has an established patient and public panel comprising 350 members covering a cross section geographically, both urban and rural and across the age range, which meets on a regular basis. The Trust continues to aim to ensure there is representation from a cross section of society. Panel members are invited to get involved in the Trust's activities including opportunities to attend Board meetings, development sessions and Q&A sessions with the Executive.

VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on the Improving Economy, Efficiency and Effectiveness reporting criteria - continued

The Trust's arrangements for effective partnership working - continued

The Trust has focussed on the youth element in the continued development of stakeholder groups, and as part of this there have been several ambulance awareness days. The events were tailored around volunteering and careers to attract a new generation of staff. The events include actively obtaining feedback on whether they are meeting objectives, and ways for the service to be meet the needs patients. There has also been other face-to-face engagements for example with students at university freshers' fayres, with opportunity to share information sessions on a range of health topics, provide information on how to access self-help and well-being resources. The ongoing engagement provides potential opportunities for workforce and provides the Trust with a better understanding of how best to provide services.

The Trust has in place a structured format on how they engage with various stakeholders and obtain feedback on PES, 111 services, mental health support and translations services. For example, the Trust has attended community events with target groups including ethnic minority communities and disability groups through the year, obtaining feedback, which has helped to shape how services are delivered and remove barriers. In addition, the Trust provides regular updates and briefings to the two elected mayors in the region on monthly performance statistics and action plans that are being implemented to improve service.

The Trust has continued with its engagement of the 72 MPs in the North West. All MPs were written to, and there has been engagement with MPs who responded to the Trust with concerns about service performance.

Monthly Board stories have continued to be an effective way for service users and staff to tell their stories, and the real impact that NWAS has on end users. These have served to provide ways to demonstrate that there has been learning and improvement in response to incidents, for example how the Trust works with the out of hours service to ensure that there is a coordinated response to the patient.

The Trust's arrangements for commissioning services

The procurement of all goods and services is governed by the NWAS Board approved Standing Financial Instructions. These set the procurement involvement required based on law and best practice. Procurement cannot commence unless there is an appropriate budget available or approved business case. Depending on value pre-tendering approval is also required. Goods and services over £100k must be compliant with the Public Contract Regulations. The approval process for contract awards over £25k and below £1m is the Head of Procurement reviews all recommendations and endorses the recommendation before they are forwarded to the Director of Finance for final approval and sign off. Awards over £1m must be taken through Resources Committee and approved by the Board.

The Trust continues to maintain a contracts database which is used to develop the workplan for the procurement team alongside capital regulations. A process of obtaining quotes, tenders or OJEU tenders is put into action depending on value and based on a comprehensive specification of requirements. Evaluations are undertaken by a panel of subject experts.

Frameworks are used wherever possible and often involve collaboration with other ambulance trusts to deliver economies of scale. For example, in supply of medical gases and Clinical Audit Tool the Trust used the Crown Commercial Service Framework. The Trust monitors the performance of service providers and takes action to resolve issues when they arise. Procurement activity is reported to Resources Committee on a regular basis to allow for scrutiny and governance review.

A full waiver process is in place whereby waivers are reviewed and signed off by the Head of Procurement, Director of Corporate Affairs, Director of Finance and Chief Executive. Waivers are reported to Audit Committee for scrutiny on a regular basis. The Trust has set a maximum of 4 waivers per month; in 2025/26 this target has been met throughout the year.

Based on the above considerations we are satisfied there is not a significant weakness in the Trust's arrangements in relation to improving economy, efficiency and effectiveness.

04

Other reporting responsibilities

Wider reporting responsibilities

Statutory recommendations and public interest reports

Under section 7 of the Local Audit and Accountability Act 2014, auditors of an NHS body can make written recommendation to the audited bodies. Auditors also have the power to make a report if they consider a matter is sufficiently important to be brought to the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We did not issue any statutory recommendations or exercised our power to make a report in the public interest during 2025/26.

Section 30 referrals

Under Section 30 of the Local Audit and Accountability Act 2014, auditors of an NHS body have a duty to consider whether there are any issues arising during their work that indicate possible or actual unlawful expenditure or action leading to a possible or actual loss or deficiency that should be referred to the Secretary of State, and/or relevant NHS regulatory body as appropriate.

We have not issued a Section 30 referral to the Secretary of State.

Reporting to the group auditor

Whole of Government Accounts (WGA)

The Trust is consolidated into Trust: Consolidated NHS Provider Account which is then consolidated into the Department of Health and Social Care (DHSC) group. The National Audit Office (NAO), as group auditor, requires us to report to them whether consolidation data that the Trust has submitted is consistent with the audited financial statements. The NAO did not include the Trust in its sample of component bodies for the purpose of its audit of the DHSC group.

We reported to the NAO that consolidation data was consistent with the audited financial statements. We also reported to the NAO in line with its group audit instructions.

Appendices

A - Further information on our audit of the financial statements

Significant findings

Significant risks

Management Override	**Description of the risk** In all entities, management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.
	How we addressed this risk We addressed the management override of controls risk through performing audit work over: • accounting estimates; • journal entries; and • significant transactions outside the normal course of business or otherwise unusual.
	Audit conclusion We have completed all planned work and procedures in relation to the risk and have no issues to report or bring to your attention.

Significant findings

Significant risks

Expenditure recognition (there is a rebuttable presumption that there is a significant risk of fraud in expenditure recognition for all public sector entities)	**Description of the risk** In the public sector, auditors also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition, which may materialise due to the audited body manipulating expenditure to meet externally set targets. We consider there to be a risk that management could record expenditure and / or liabilities within the accounts that do not properly meet the relevant expenditure recognition criteria for the year to which they are charged. We consider the risk of overstatement to be in relation to the accounting treatment of non-pay expenditure around the year end and the accuracy, completeness and existence of accruals, provisions, deferred income and the existence and accuracy of capital expenditure in quarter 4 of 2025/26. .
	How we addressed this risk We have addressed the risk through performing a range of substantive procedures such as :- • testing payments in the pre and post year end period to ensure they have been recognised in the right year; • testing a sample of individual accruals to supporting documentation to confirm the method of calculation and to confirm inclusion in the correct period; • testing a sample of capital additions of Property, Plant & Equipment (PPE) and/or intangible assets focusing around the transactions recorded in quarter 4 to confirm they met the recognition criteria of capital expenditure; • considering the completeness and valuation of deferred income recorded in the statement of financial position; and • considering the completeness and valuation of provisions recorded in the statement of financial position
	Audit conclusion We have completed all planned work and procedures in relation to the risk and have no issues to report or bring to your attention.

Significant findings

Other key areas of management judgement / enhanced risks

Valuation of property, plant and equipment

Land and buildings are some of the Trust's highest value assets accounting for £33m of the Trust's £122m Property, Plant and Equipment balance at 31 March 2026.

Management engages valuation expert, Deloitte LLP ('the valuer') to provide the Trust with valuations in accordance with Royal Institution of Chartered Surveyors (RICS) requirements. The expert is engaged also to assist in determining the current value of land and buildings to be included in the financial statements. Changes in the value of land and buildings, as well as additional capital works being completed in the year, may impact on the Statement of Comprehensive Income depending on circumstances and the specific accounting requirements of the Group Accounting Manual.

We consider there to be a significant risk of material misstatement in relation to the valuation of the Trust's land and buildings as a result of the:

- high degree of estimation uncertainty associated with the valuations;
- level of judgement applied by management and the valuer in estimating current values; and
- extent to which the valuations are reliant on complete and accurate source data on individual assets being provided to the valuer.

How we addressed this risk

We have evaluated the design and implementation of any controls which mitigate the risk. In addition, our procedures have covered:

- obtaining an understanding of the skills, experience and qualifications of the valuer, and considering the appropriateness of the instructions to the valuer from the Trust;
- obtaining an understanding of the basis of valuation applied by the valuer in the year. This includes understanding and evaluating the methodology applied to estimate the gross replacement cost of the Trust's operational land and buildings on a modern equivalent asset basis;
- considering and challenging the Trust's review of the continuing appropriateness of its application of the modern equivalent asset approach in 2025/26;
- reviewing and sample testing to gain assurance over the completeness and accuracy of underlying data provided by the Trust and used by the valuer as part of their valuations;
- testing the accuracy of how valuation movements were presented and disclosed in the financial statements,
- using relevant market and cost data to assess the reasonableness of the valuation as at 31 March 2026 and engaging our own valuation expert if considered necessary.

Audit conclusion

We have completed all planned work and procedures in relation to the risk and have no issues to report or bring to your attention.

Summary of misstatements

Unadjusted misstatements

Our overall materiality, performance materiality, and clearly trivial (reporting) threshold were reported in our Audit Summary Memorandum, issued on 23 April 2026. Any subsequent changes to those figures are set out in the *'Executive summary'* section of this report.

We identified no misstatements above our reporting threshold, or that we deem to be material by nature, as at the date of this report which were not adjusted.

Adjusted misstatements

We report all individual misstatements above our reporting threshold that we identify during our audit, which management had adjusted and any other misstatements we believe the Audit Committee should be made aware of.

We identified no misstatements above our reporting threshold, or that we deem to be material by nature, as at the date of this report which were adjusted.

Summary of misstatements

Disclosure misstatements

We identified the following disclosure misstatements during our audit that have been corrected by management:

- Note 1 – Accounting Policies and other information – Note 1.11 Lessor removed and Note 1.19 wording amended around NHS Valuations in line with the GAM
- Note 26 - Provisions for liabilities and charges analysis – Additional narrative added in relation to the other provisions
- Staff Report - Exit Packages- Banding corrected for one exit package
- Remuneration Report – Disclosure amendments made for banding corrections
- Remuneration Report – Individual removed from the pension benefits table
- Remuneration Report – Pay Multiple narrative updated to reflect correct amounts
- Remuneration Report – Additional narrative added in relation to ratios increasing

A small number of presentational issues have been identified during our audit of the financial statements, and these have all been amended by the Trust

Appendix A: Internal control conclusions

Follow up on previous internal control points

We set out below an update on internal control points raised in prior periods.

Approval of Purchase Order – Operating Effectiveness
Description of deficiency Our testing identified that purchase orders relating to utilities (gas, electricity, water) were incorrectly processed as goods at the requisition stage, on approval they generated inaccurate values. We have confirmed that the net impact was nil. **Current year update** - The Trust has issued guidance in 25/26 on how to raise POs correctly. Performance is also being monitored. From the monitoring of performance, we can see the number of such invoices reducing therefore we are satisfied that the control recommendations has been appropriately implemented in the year.
Potential effects Incorrectly processing purchase orders could lead to errors within the Trust's financial ledger. Left undetected this could lead to errors in the Trust's financial statements.
Recommendation Conduct regular training sessions for all procurement staff to reinforce the correct process of raising service expenditure under service lines, rather than goods lines, within Oracle.
Management response This issue was selected at the improvement processes project, and a guidance was written to clarify how to raise requisitions correctly, where utilities and other services are mentioned specifically to ensure correct treatment. Will monitor the performance and provide guidance and training to minimise errors.

Appendix A: Internal control conclusions

Follow up on previous internal control points

Confirmation of Ownership – Operating Effectiveness
Description of deficiency We have noted from our testing of asset ownership that for one site with shared ownership, the title deed does not show North West Ambulance Service NHS Trust as the owner. **24/25 update-** The Trust has restarted the discussion with the co-locator (NHS Blood and Transplant) and the process is ongoing, in addition there is a significant backlog in the work of land registry with the delays of at least 18 months. NWAS will continue discussions with the co-locator (NHS Blood and Transplant) to request a split of the title for the station. **Current year update** – The process is still ongoing with the solicitors, and the Trust is waiting for responses for the legal team for NHS Blood and Transplant.
Potential effects There are potential issues when the Trust wants to make any significant changes to the asset, or dispose of the asset, where ownership can't be confirmed via the land registry
Recommendation The Trust should ensure that the title is split appropriately between both entities.
Management response The Trust will continue discussions with the co-locator (NHS Blood and Transplant) to request a split of the title for the station.

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