

# Hywel Dda University Health Board – Annual Audit Summary 2025

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# Foreword



**Adrian Crompton**

Auditor General for  
Wales

I am pleased to share my Annual Audit Summary for Hywel Dda University Health Board (the Health Board). It summarises the main findings from my 2025 audit work undertaken to fulfil my responsibilities under the Public Audit (Wales) Act 2004 and the Well-Being of Future Generations (Wales) Act 2015.

I provided opinions on whether the accounts were properly prepared and gave a true and fair view, in all material aspects, and whether expenditure and income have been used for the purposes intended and in accordance with the authorities which govern you.

My audit team has also assessed whether the Health Board has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, and acted in line with the sustainable development principle. In doing so, my audit team has undertaken my annual structured assessment work and reviewed planned care services, urgent and emergency care services and capital investment prioritisation arrangements. As set out in my audit plan, these reviews have been carried out in line with the [International Organisation of Supreme Audit Institutions \(INTOSAI\) standards](#).

At the time of publishing this summary, the Health Board was escalated to Level 3 for planned care performance and outcomes under the [Welsh Government's escalation and intervention arrangements](#). It was also escalated to Level 4 for finance, strategy and planning, and urgent and emergency care, fragile services and hospital acquired infection performance and outcomes.

The detailed audit findings for each of my reviews are set out in the respective reports which my audit team have presented to the Audit and Risk Assurance Committee throughout the year. The performance audit reports are available on the [Audit Wales website](#) and further links are available in the summary.

The Annual Audit Summary should be shared with the Board. I will then make the summary available to the public on the [Audit Wales website](#).

I would like to extend my gratitude to the Health Board's staff for their help and cooperation throughout my audit.

## Your audit at a glance

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I received the draft accounts in line with the statutory deadline of 2 May 2025. The quality of the draft accounts and working papers was good.



In advance of the statutory deadline of 30 June 2025 I issued an unqualified true and fair opinion, and a qualified regularity opinion. I also issued a substantive report on the accounts.

There were no uncorrected misstatements in the accounts. There were no other significant issues to report.



My performance audit work found that the Health Board has an effective Board and sound corporate governance arrangements to oversee its use of resources. Financial management arrangements are being strengthened but the Health Board is still unable to demonstrate financial balance in the short or medium term.

Progress is being made to reduce elective waiting lists but there is more to do. Urgent and emergency care performance continues to be a concern and is adversely affected by delayed hospital discharges.



My audit team made several recommendations to the Health Board which focus on strengthening service planning, risk management, financial and digital controls, and transformation support, while enhancing oversight, clinical governance, and operational efficiency to improve patient care and system sustainability.



There is still some work outstanding from my Audit Plan dated April 2025. My team expects to complete the majority of this work by March 2026.

# Audit of accounts findings

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Preparing annual accounts is an essential part of demonstrating the stewardship of public money. The accounts show the organisation's financial performance and set out its net assets, net operating costs, gains and losses, and cash flows. My annual audit of those accounts provides opinions on whether the accounts are properly prepared and give a true and fair view, in all material aspects, and the proper use ('regularity') of public monies.

My responsibilities in auditing the accounts are described in my [Statement of Responsibilities](#) publications, which are available on the [Audit Wales website](#).

The draft accounts were presented for audit on 2 May 2025. This was in line with the deadline of 2 May 2025 set by the Welsh Government. The quality of the draft accounts presented for audit was good.

## My audit opinions

I must report issues arising from my work to those charged with governance for consideration before I issue my audit opinion on the accounts. I reported these issues within my Audit of Accounts Report to the Audit and Risk Assurance Committee on 22 June 2025 and the Board on 26 June 2025.

### True and fair

A small number of changes were made to the draft accounts arising from my audit work. There were no uncorrected misstatements and there were no other significant issues to report.

My work did not identify any material weaknesses in internal controls (as relevant to my audit), and I made no recommendations.

I concluded that the Health Board's accounts were properly prepared and materially accurate and issued an unqualified audit opinion on them.

## **Regularity**

The Health Board is only allowed to receive income and incur expenditure in ways that follow the rules set by the authorities that govern it. Where a Health Board does not achieve financial balance, its expenditure exceeds its powers to spend and so I must qualify my regularity opinion.

The Health Board did not achieve financial balance for the three-year period ending 31 March 2025, which I deem to be outside its powers to spend, so I have issued a qualified opinion on the regularity of the financial transactions within the Health Board's 2024-25 accounts. The position at the end of the year was a deficit of £24.139 million. This combined with the outturns for the previous two years contributed to a three-year deficit position of £148.998 million.

Alongside my audit opinion, I placed a substantive report on the Health Board's accounts to highlight the failure to achieve financial balance and the failure to have an approved three-year plan in place.

## **Whole of Government Accounts**

I also undertook a review of the Whole of Government Accounts return. I concluded that the counterparty consolidation information was consistent with the Health Board's financial position at 31 March 2025 and the return was prepared in accordance with the Treasury's instructions.

# Performance audit findings

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## Structured assessment

My team looked at how well the Health Board is governed and whether it makes the best use of its resources.

I found that the Health Board is still strongly committed to public transparency and continues to have good governance arrangements. There are also strong arrangements to oversee risk, performance, service quality and safety and audit recommendations.

The Health Board is refreshing its long-term strategy and continues to have good oversight arrangements for the development and delivery of corporate plans and strategies. It is progressing its Clinical Services Plan, although the plan currently only covers its most fragile services.

The Health Board's financial position is still a concern, with a forecast year-end deficit for 2025–26 of £28.3 million. Achievement of the savings target is also proving challenging. The Health Board has, however, improved on its opening plan deficit of £31.5 million and is taking steps to further improve the deficit position and achieve financial sustainability by 2028–29.

I made two recommendations focused on:

- clarifying the 'Alert, Advise and Assure' process used to escalate and report to the Board; and
- updating the Board Assurance Framework Dashboard.

The Health Board has fully implemented five outstanding recommendations since my last structured assessment report. One recommendation relating to reviewing wellbeing objectives remains in progress.

## Managing planned care

My team looked at the progress the Health Board is making in tackling its planned care challenges and reducing its waiting list backlog.

I found that the Health Board is now making good progress addressing its longest waits but needs to do more to ensure timely diagnostic and therapy services. Referral demand is increasing, and the Health Board needs to agree a financially and clinically sustainable plan to meet current and future patient needs. The Health Board also needs to address its service inefficiencies and strengthen its approach for identifying and reporting on harm resulting from delays in access to care.

I made six recommendations focused on:

- service planning;
- programme support for service transformation;
- managing risk to the delivery of planned care;
- monitoring the impact of additional funding;
- completing recommendations from external productivity reviews; and
- managing clinical risks associated with long waits.

## Patient flow out of hospital

My team looked at how well the Health Board and its local authority partners are ensuring the timely discharge of patients out of hospital. In doing so, my team also looked at the progress made by the Health Board in addressing my 2017 discharge planning recommendations.

I found that despite patient flow being a key aspect of plans across partners, high numbers of delayed discharges continue to negatively affect urgent and emergency care services, including ambulance handovers and emergency department waiting times. Increased complexity of demand, capacity constraints, and weaknesses in the discharge planning process are all key barriers to more effective patient flow. Partners understand the need to drive improvements, but more action is needed to secure the sustainable improvements required.

I also found that the Health Board has made slow progress in addressing the previous recommendations I made to help improve discharge planning.

I made 16 new recommendations of which 14 have relevance to the Health Board. These focused on:

- demand and capacity planning;
- developing and embedding policies;

- improving the quality of record keeping and referrals;
- enhancing multi-disciplinary working;
- improving the use of discharge lounges;
- sharing information;
- developing implementation plans; and
- improving scrutiny.

## Managing urgent and emergency demand

My team looked at how well the Health Board is managing demand for urgent and emergency care to reduce unnecessary pressure on the system.

I found that changes to urgent and emergency care services are leading to some improvements in managing demand, supported by reasonable plans and effective oversight. However, poor performance in areas including ambulance handover delays continues, and there is a need to strengthen staff and patient engagement to help inform and shape improvement activities.

I made 14 recommendations focused on:

- demand and capacity data;
- funding arrangements, including the impact of additional funds;
- signposting services and aligning service information;
- oversight and scrutiny of plans and performance;
- monitoring compliance with national guidance;
- patient and staff feedback; and
- access to patient information.

## Capital Investment Prioritisation

My team looked at how well the Health Board prioritises its capital spending and investment to help it deliver its strategic objectives.

I found that the Health Board has an effective approach to capital prioritisation with good oversight arrangements for its Board approved capital investment plan.

I made one recommendation focused on the medical equipment inventory.

## Performance audit work still underway

At the time of reporting, the following reviews from the 2025 Audit Plan were still underway at the Health Board:

- digital transformation
- cancer services
- estates management
- radiology services
- follow-up outpatients.

# Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use three lines of assurance to show how we achieve this. We have set up an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by the Institute of Chartered Accountants in England and Wales and our Chair of the Board, acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2024](#).



## Our People

- Selection of right team
- Use of specialists
- Supervisions and review



## Arrangements for achieving audit quality

### Selection of right team

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support



## Independent assurance

- EQRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

## Further information

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