

Cwm Taf Morgannwg 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 Cwm Taf Morgannwg 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, digital transformation, and eye care services. 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 subject to Level 3 for performance and outcomes relating to planned care and cancer and Level 4 for performance and outcomes relating to urgent and emergency care under the [Welsh Government's escalation and intervention arrangements](#).

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, Risk and 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 audits.

Your audit at a glance



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, on 27 June I issued an unqualified true and fair opinion, and a qualified regularity opinion. 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 sound corporate governance arrangements, a clear long-term strategy, and a balanced IMTP. However, slow progress on the Strategic Clinical Services Plan is limiting the pace of transformation. Financial planning is robust, and the Health Board has a good track record of delivering against its financial plan. However, savings gaps, along with other financial risks, will make achievement of financial targets challenging.

Long waits and planned care backlogs are reducing, although recovery was impacted by the October 2024 critical incident with the roof at the Princess of Wales hospital. Urgent and emergency care performance is still challenging and requires further improvement. Ophthalmology waits have fallen, but recovery targets are unmet, and poor eye care performance increases the risk of avoidable harm.



My audit team made several recommendations to the Health Board focused on strengthening risk management, service planning, and strategic coordination, while improving governance, clinical oversight, and operational efficiency to support transformation, enhance patient safety, and ensure sustainable performance.

My audit team made five recommendations to the Health Board regarding the 2024-25 accounts; four of which were accepted by management and are to be implemented for the 2025-26 accounts.



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

Audit of accounts findings

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, being the Welsh Government's deadline. The quality of the draft accounts presented for audit was generally 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, Risk and Assurance Committee on 25 June 2025, and then to the Board on 26 June.

True and fair

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

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.

Further, where a Health Board does not achieve financial balance, its expenditure exceeds its powers to spend and so I must qualify my regularity opinion.

For revenue expenditure, the Health Board did not meet its financial duty to achieve financial balance for three-year period 2022-2023 to 2024-2025. For the three-year period the Health Board exceeded its revenue resource limit by £24.276 million and I therefore qualified my regularity opinion.

For capital expenditure, over the same three-year period the Health Board did achieve financial balance, with a surplus of £139,000.

All other material financial transactions were in accordance with authorities and used for the purposes intended, so I issued an unqualified opinion on the regularity of the financial transactions within Health Board's accounts. The Health Board met its second financial duty to have an approved three-year plan in place for the period 2024-2025 to 2026-2027.

Alongside my audit opinion, I placed a substantive report on the Health Board's accounts to highlight the failure to achieve financial balance.

Whole of Government Accounts

I also undertook a review of the Health Board's Whole of Government Accounts return to the Welsh Government for 2024-25. My audit results were satisfactory.

Performance audit findings

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 Board operates well, supported by good governance arrangements. The new committee structure is embedding well. The Board engages with staff, patients, and service users but must improve how it monitors and tracks actions arising from listening and learning stories. While risk management is generally effective, there is a need to strengthen performance management to address persistent challenges in meeting key targets, particularly in urgent and planned care, cancer, and diagnostics. The Health Board needs to focus on maintaining improvements to service quality. It also needs to respond to some longstanding overdue audit recommendations.

The Health Board has a clear long-term strategy, and a financially balanced Integrated Medium Term Plan that has been approved by the Welsh Government. Work is also underway to develop the Strategic Clinical Services Plan, supported by the appropriate financial modelling. However, the Health Board is slow in progressing this work, impacting the Board's ability to drive forward service transformation at pace. Financial planning is strong, and the Health Board has a good track record of delivering against its financial plan. But gaps in savings plans, along with other financial risks, will still make achievement of financial targets challenging.

I made six recommendations focused on:

- reporting the impact of actions taken to mitigate organisational risks;
- taking urgent and sustained action to reduce risks identified by the Welsh Risk Pool;
- ensuring that implementation of audit recommendations is a key part of its new accountability framework;
- developing and implementing a strategy deployment framework to coordinate all strategic programs;

- standardising the IMTP ‘Plans on a Page’ to ensure consistency, clarity, and enable easier comparison of priorities and progress; and
- strengthening quarterly IMTP reporting by clearly demonstrating the impact of plan delivery across all required domains.

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 reducing the numbers of very long waits, although the October 2024 critical incident with the roof at the Princess of Wales hospital affected waiting list recovery. It has good short-term plans, but it needs to develop its clinical services plan to help shape services that can sustainably meet expected growth in demand in the longer term. It also needs to improve how it reports on harm resulting from planned care delays.

I made six recommendations focused on:

- establishing longer-term milestones, linked to clinical service plan development;
- strengthening the management of risks related to the delivery of planned care;
- monitoring the impact of additional funding for planned care recovery;
- securing improvements in efficiency and productivity within planned care pathways ;
- strengthening actions to achieve its treat in turn performance target; and
- managing clinical risks associated with long waits.

Eye Care Services

Building on the wider Planned Care work summarised above, my team looked at whether the Health Board has effective arrangements to improve eye care services. The work reviewed both local and regional arrangements.

I found that the regional eye-care strategy sets a positive direction, but progress with implementation has been slow. Governance arrangements

are in place to oversee regional delivery, but decision-making on business cases can be slow and cumbersome, involving multiple groups across the three health boards. It is worth noting that regional working has shifted away from its original ambition of developing specialist services more broadly, focusing instead on creating short-term service capacity for cataract procedures. While the regional cataract approach aims to reduce long waits, at the time of my work it had not significantly impacted the overall number of patients awaiting treatment.

The Health Board has reduced the longest ophthalmology waits but is not yet meeting planned care recovery targets. Performance against the ‘eye care measure’ is poor, and long waits increase the risk of avoidable harm. There is a need to strengthen local planning of eye care services, broaden the scope of regional working and secure further productivity and efficiency gains.

I made six recommendations, three for the Regional Ophthalmology Programme Board and three for the Health Board. These focussed on:

- regional partners speeding up decision-making processes for agreeing business cases;
- regional partners developing a resource plan;
- regional partners agreeing realistic but appropriately ambitious timescales for the three phases of the South East Wales Regional Ophthalmology Strategy;
- developing a sustainable eye care plan;
- monitoring and oversight of ophthalmology; and
- progress addressing ophthalmology GIRFT¹ recommendations.

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 urgent and emergency care service performance continues to be challenging. Whilst plans and new services, including the Navigation Hub, are having a positive impact on managing demand, further action is

¹ Getting It Right First Time

needed to improve access, patient and staff engagement, and clarify resource requirements.

I made nine recommendations focused on:

- resourcing urgent and emergency care plans;
- improving information on services which provide alternatives to emergency departments;
- monitoring data from those alternative services;
- monitoring compliance with national guidance;
- improving data quality;
- ensuring patient and staff feedback informs service delivery plans; and
- oversight and scrutiny of plans and performance in respect of urgent and emergency care.

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:

- patient flow out of hospital;
- digital transformation;
- cancer services;
- estates management; and
- follow-up outpatients.

Audit quality

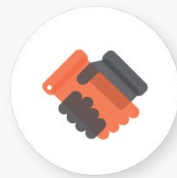
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We use three lines of assurance to show how we achieve this. We have set up an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by the Institute of Chartered Accountants in England and 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](#).



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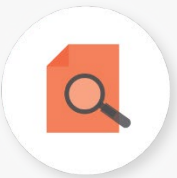
- Selection of right team
- Use of specialists
- Supervisions and review



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
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