

Swansea Bay University Health Board – Annual Audit Summary 2025

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

Foreword



Adrian Crompton

Auditor General for
Wales

I am pleased to share my Annual Audit Summary for Swansea Bay 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, and urgent and emergency 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 escalated to Level 3 for Planned Care and Child and Adolescent Mental Health Services under the Welsh Government's escalation and intervention arrangements. It was also escalated to Level 4 for Finance, Strategy and Planning, Urgent and Emergency Care, Cancer Services, Healthcare Associated Infections (HCAIs) and Maternity and Neonatal Services.

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 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



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.

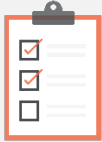


My performance audit work found that the Health Board has good governance arrangements, and the Board is continuing to develop and mature. However, its financial position remains a significant concern. A substantial year-end deficit is forecast and delivery of the savings plan is challenging, with the Health Board still unable to demonstrate financial balance in the short or medium term.

Progress is being made to reduce some of the longest elective waits 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, management, financial controls, and transformation support, while enhancing operational efficiency and productivity 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

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 Committee and the Board on 25 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 £42.4 million. This combined with the outturns for the previous two years contributed to a three-year deficit position of £57.4 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

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 has good governance arrangements and high-quality information is provided to support scrutiny. There remains a continued commitment to hearing from patients, services users, and staff.

The Health Board has recently agreed a revised long-term strategy and work has started to ensure that the organisation is set up for success. However, a revised performance management framework is not yet fully in place.

The Health Board's financial position is still a significant concern, with a forecast year-end deficit for 2025–26 of £58.7 million and achievement of the savings plan is a challenge. At month six, the Health Board had only delivered £10.9 million of savings against the annual target of £55.4 million.

I made four recommendations focused on:

- improving public transparency arrangements;
- expanding reporting of declarations of interest compliance;
- enhancing reporting and oversight of Board member visits and walkarounds; and
- embedding the Performance Management Framework and increasing oversight of the escalation status of service groups.

The Health Board has fully implemented six outstanding recommendations since my last structured assessment report. Four recommendations remain in progress, and nine have been replaced by new recommendations made this year.

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 making good progress addressing some of its longest waits. However, it needs to develop plans for more sustainable planned care improvements in the context of the financial challenges it is facing. The Health Board also needs to address a number of inefficiencies within its service provision and strengthen its approach for identifying and reporting on harm resulting from planned care delays.

I made eight recommendations focused on:

- service planning;
- demand and capacity planning;
- service transformation;
- updating the Planned Care risk register;
- monitoring the impact of additional funding;
- opportunities for further efficiency and productivity improvements;
- establishing a single point of contact under the Promote, Prevent and Prepare for Planned Care policy¹; 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.

¹ Promote, Prevent and Prepare for planned care. Phase 1 was required to be delivered by March 2024. This included the establishment of a single point of contact for people to access information and support following referral to specialist secondary care.

I found that while partners show a commitment to improving patient flow out of hospital, performance remains extremely challenging. Partners must continue to work collaboratively to mitigate the challenges posed by reduced workforce capacity and increased complexity of demand. Further work is also needed by partners to continue to develop shared systems to manage information and ensure activities and risk are joined up and monitored on a whole system basis.

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 nine recommendations all of which have relevance to the Health Board. These focused on:

- improving the quality of record keeping;
- maximising weekend discharges;
- reviewing discharge pathways;
- improving training and guidance on discharge planning;
- embedding the Trusted Assessor model;
- expanding membership of the Six Goals Urgent and Emergency Care Portfolio Board;
- including local authority, partner, and Regional Partnership Board activity in the risk register;
- developing a regional risk register with local authorities through the Regional Partnership Board working arrangements; and
- strengthening performance reporting to Board.

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 there is a clear plan for urgent and emergency care, coupled with strong oversight at operational and corporate levels. However, at the time of my audit poor performance remained an issue in areas including ambulance handover delays. There was also a need to strengthen staff and patient engagement, as well as the reporting of how the Health Board uses additional funds.

I made eight recommendations focused on:

- strengthening risk management within plans;
- funding arrangements for the Six Goals Programme;
- communicating how services are to be used by staff and the public;
- signposting services on GP and dental practices' websites;
- monitoring compliance with national SDEC² guidance;
- ensuring regular patient and staff feedback to inform plans; and
- reporting of expenditure of additional funding.

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:

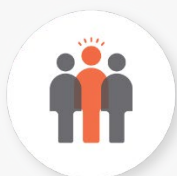
- quality governance follow up;
- digital transformation;
- cancer services; and
- estates management.

² Same Day Emergency Care

Audit quality

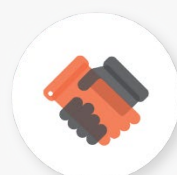
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We use three lines of assurance to show how we achieve this. We have set up an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by the Institute of Chartered Accountants in England and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



Our People

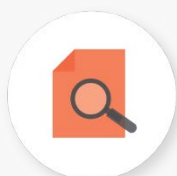
- Selection of right team
- Use of specialists
- Supervisions and review



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

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We welcome correspondence and telephone calls in Welsh and English.

Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

