

Cardiff and Vale University Health Board – Annual Audit Summary 2025

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This document is a draft version pending further discussions with the audited body. Information may not yet have been fully verified and should not be widely distributed.



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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 Cardiff and Vale University 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 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 whole Health Board was escalated to Level 4 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 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 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.

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 and is taking steps to strengthen systems of assurance. However, while financial oversight, control and management processes are in place, the Health Board's financial position is a significant concern.

Despite efforts to reduce elective waiting lists, sustainable improvements have not been achieved. Service changes are supporting improvement in managing urgent and emergency care demand, but the service remains under significant pressure, requiring ongoing action to use existing capacity effectively.



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



There is still some work outstanding from my Audit Plan dated April 2025. My team expects to complete 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 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 Committee and Board on 25 June 2025.

True and fair

A number of changes were made to the draft accounts arising from my audit work.

There were no uncorrected misstatements.

There were no other significant issues to report.

My work did not identify any material weaknesses in internal controls but I made 4 recommendations which related to IT controls. Progress against these recommendations will be monitored during next year's audit.

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.

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 LHB did not manage its revenue expenditure within its resource allocation over this three-year period, exceeding its cumulative revenue resource limit of £4,122 million by £70.820 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 demonstrated an inclusive approach for developing its Annual Plan, supporting delivery of its long-term strategy. It is accelerating work on its Clinical Services Plan and improving Board-level reporting on Annual Plan delivery. However, strategic portfolios require well-defined delivery roadmaps and stronger committee oversight.

The Board and committees continue to work well, remaining committed to public transparency and hearing from patients and staff. While the Board has continued to experience significant turn-over this has been well managed. However, the absence of an Independent Member for finance and permanent Executive Director of Strategic Planning presents a risk. Opportunities remain to enhance Board and committee papers and effectiveness reviews, and to ensure the Health Board website contains up to date information.

The Health Board continues to strengthen and digitalise its systems of assurance. However, there is still a need to improve risk and performance management, and to strengthen aspects of quality and safety monitoring and recommendation tracking.

The financial position remains a significant concern, with a forecast year-end deficit of £56.2 million against a £9.1 million control total. Although the Health Board has identified all planned savings, there is still a shortfall against its recurrent savings target. As in previous years, it was unable to submit a financially balanced three-year Integrated Medium-Term Plan to Welsh Government and work to develop a clinical services plan and an associated long-term financial model remains at an early stage.

I made eight recommendations focused on:

- improving committee oversight of strategic portfolios;
- ensuring the website contains up to date information;
- more frequent reporting on policies overdue for review;

- focusing Board and committee papers on impact;
- enhancing Board and committee effectiveness reviews;
- developing a Performance Management Framework;
- strengthening aspects of quality and safety monitoring; and
- clarifying Quality Improvement and Efficiency Plan reporting at Board level.

The Health Board has fully implemented six outstanding recommendations since our last structured assessment report, seven are still in progress, six have been superseded by new recommendations and there has been no progress against two.

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 while the Health Board made reasonably good progress initially, it did not meet the Welsh Government's waiting list reduction targets. Despite work to drive operational service improvements, the Health Board's approach did not achieve the desired positive impact on planned care performance until recently. Consequently, the waiting list substantially grew during 2024.

There is a risk that improvements are unsustainable and reliant on additional short-term funding. The Health Board, therefore, urgently needs a financially and clinically sustainable plan to meet growing service needs and secure improvements in planned care performance.

I made nine recommendations focused on:

- developing a planned care improvement plan;
- applying demand and capacity modelling consistently across specialties;
- building programme capacity and capability to support service transformation;
- developing a planned care risk register;
- providing committee level assurance on planned care programme delivery;
- strengthening Board reporting on the impact of additional planned care funding;

- focusing on actions to improve service efficiency and productivity;
- implementing the Promote, Prevent and Prepare for Planned Care policy; and
- strengthening monitoring and reporting processes for clinical risks associated with long waits.

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 service changes are supporting improvements to the management of urgent and emergency care demand, underpinned by robust plans and strong corporate oversight. However, urgent and emergency care services within the Health Board are still under significant pressure and ongoing action is needed to ensure existing capacity is used to best effect. Further action is also needed to ensure both patients and staff have a better understanding of the range of services available and how to access them. Securing further improvements would be aided by involving Welsh Ambulance Services NHS Trust (WAST) staff in the Six Goals Delivery Board and by capturing staff and patient feedback on how well services are working.

I made eight recommendations focused on:

- clarifying funding arrangements for Six Goals Programme initiatives;
- strengthening signposting arrangements to ensure patients access the right services;
- developing clear, accessible referral pathways;
- improving the WAST directory of services;
- improving patient feedback surveys, response rates and addressing findings in future plans;
- strengthening joined up planning and service change by including WAST as a member of the Six Goals Delivery Board;
- strengthening committee reporting on attendance and conveyance rates to the minor injuries; and
- evaluating project benefits of Six Goals Programme initiatives.

Review of Eye Care Services

My team looked at whether the Health Board has effective arrangements to improve eye care services. My team reviewed local and regional arrangements.

I found that the regional eye-care strategy sets a positive direction, but progress 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, thus far it has not significantly impacted the overall number of patients awaiting treatment.

The Health Board is reducing its longest ophthalmology waits, but too many eye care patients are still waiting a long time. While performance against the 'eye-care measure' is above average, it falls well short of the national target, increasing the risk of avoidable harm.

The Health Board has taken positive steps to strengthen leadership and address cultural challenges within the ophthalmology service. It has also set up clear processes for identifying, reporting, and learning from harm caused by delays in the ophthalmology waiting list. However, it needs to strengthen long-term planning of eye care services, secure further productivity and efficiency gains and improve Board level oversight.

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

- regional partners speeding up decision-making processes for agreeing business cases;
- regional partners developing a resource plan to better understand the operational and clinical commitment needed for each partner organisation;
- regional partners agreeing realistic but appropriately ambitious timescales for the three phases of the South East Wales Regional Ophthalmology Strategy;

- the Health Board urgently developing an eye care plan, seeking to address current and future challenges; and
- the Health Board providing routine updates on the ophthalmology service action plan to the Finance and Performance Committee.

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:

- review of digital transformation
- review of cancer services
- review of estates management
- clinical coding follow-up review: progress update

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

