

Annual Audit Report 2023 – Powys Teaching Health Board

Audit year: 2022-23

Date issued: February 2024

Document reference: 4076A2024

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Summary report

About this report

- 1 This report summarises the findings from my 2023 audit work at Powys Teaching Health Board (the Health Board) undertaken to fulfil my responsibilities under the Public Audit (Wales) Act 2004. That Act requires me to:
 - examine and certify the accounts submitted to me by the Health Board, and to lay them before the Senedd;
 - satisfy myself that expenditure and income have been applied to the purposes intended and are in accordance with authorities; and
 - satisfy myself that the Health Board has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources.
- 2 I report my overall findings under the following headings:
 - audit of accounts and
 - arrangements for securing economy, efficiency, and effectiveness in the use of resources.
- 3 This year's audit work took place at a time when NHS bodies were still responding to the legacy of the COVID-19 pandemic as they look to recover and transform services and respond to the additional demand in the system that has built up during the pandemic. Furthermore, health bodies were also dealing with a broader set of challenges associated with the cost-of-living crisis, the climate emergency, inflationary pressures on public finances, workforce shortages, and an ageing estate. My work programme, therefore, was designed to best assure the people of Wales that public funds are well managed.
- 4 I aimed to ensure my work did not hamper public bodies in tackling the post-pandemic challenges they face, whilst ensuring it continued to support both scrutiny and learning. We largely continued to work and engage remotely where possible using technology, but some on-site audit work resumed where it was safe and appropriate to do so. This inevitably had an impact on how we deliver audit work but has also helped to embed positive changes in our ways of working.
- 5 The delivery of my audit of accounts work has continued mostly remotely. Auditing standards were updated for 2022-23 audits, which resulted in some significant changes in our approach. The specific changes were discussed in detail in my 2023 Audit Plan. The audited accounts submission deadline was extended to 31 July 2023. The financial statements were certified on 27 July 2023, meaning the deadline was met. This reflects a great collective effort by both my staff and the Health Board's officers.
- 6 I also adjusted the focus and approach of my performance audit work to ensure its relevance in the context of the post-pandemic challenges facing the NHS in Wales. I have commented on how NHS Wales is tackling the backlog of patients waiting for orthopaedic treatments. I have also published an NHS Workforce Data Briefing that brings together a range of metrics and trends to help illustrate the challenges

that need to be gripped locally and nationally. The data briefing complements my assessments of how the workforce planning arrangements of individual NHS bodies are helping them to effectively address current and future workforce challenges. My local audit teams have commented on the governance arrangements of individual bodies, as well as how they are responding to specific local challenges and risks. My performance audit work is conducted in line with INTOSAI auditing standards¹.

- 7 This report is a summary of the issues presented in more detailed reports to the Health Board this year (see **Appendix 1**). I also include a summary of the status of work still underway, but not yet completed.
- 8 **Appendix 2** presents the latest estimate of the audit fee that I will need to charge to cover the costs of undertaking my work, compared to the original fee set out in the 2023 Audit Plan.
- 9 **Appendix 3** sets out the audit of accounts risks set out in my 2023 Audit Plan and how they were addressed through the audit.
- 10 The Interim Chief Executive, Director of Finance and Director of Corporate Governance have agreed the factual accuracy of this report. We presented it to the Audit, Risk and Assurance Committee on 11 March 2024. The Board will receive the report at a later Board meeting and every member will receive a copy. We strongly encourage the Health Board to arrange its wider publication. We will make the report available to the public on the [Audit Wales website](#) after the Board have considered it.
- 11 I would like to thank the Health Board's staff and members for their help and co-operation throughout my audit.

Key messages

Audit of accounts

- 12 I issued an unqualified true and fair audit opinion on your accounts on 27 July 2023. The audit opinion in respect of the regularity of expenditure was qualified, because the Health Board breached its resource limit by spending £6.8 million over the £1,133 million that it was authorised to spend in the three-year period 2020-2023.
- 13 My work did not identify any material weaknesses in internal controls (as relevant to my audit), however, I brought some issues to the attention of officers and the Audit Committee for improvement.

¹ INTOSAI (International Organisation of Supreme Audit Institutions) is a global umbrella organisation for the performance audit community. It is a non-governmental organisation with special consultative status with the Economic and Social Council (ECOSOC) of the United Nations.

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

Arrangements for securing efficiency, effectiveness, and economy in the use of resources

- 15 My programme of Performance Audit work has led me to draw the following conclusions:
- urgent and sustainable action is needed to tackle the long waiting times for orthopaedic services. There is a clear commitment to improve waiting times, however, it could take three years or more to return the orthopaedic waiting list to pre-pandemic levels.
 - despite an increasing NHS workforce, there remain vacancies in key areas, high sickness and staff turnover resulting in over-reliance on agency staffing. More positively, NHS Wales is becoming a more flexible and equal employer.
 - the Health Board is taking appropriate action to address its significant workforce challenges, with good oversight of its Workforce Futures ambitions. However, there are opportunities to strengthen the Workforce Futures implementation plan and focus more on the impact of actions that the Health Board is taking to reduce its workforce risks.
 - the Health Board has generally effective arrangements to ensure good governance which have strengthened since our last review. However, opportunities exist to improve these arrangements further with a particular focus needed on public access to policies, increasing a focus on primary care, hearing from patients and developing the Board Assurance Framework.
- 16 These findings are considered further in the following sections.

Detailed report

Audit of accounts

- 17 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 an opinion on both their accuracy and the proper use (‘regularity’) of public monies.
- 18 My 2023 Audit Plan set out the key risks for audit of the accounts for 2022-23 and these are detailed along with how they were addressed in **Exhibit 4, Appendix 3**.
- 19 My responsibilities in auditing the accounts are described in my [Statement of Responsibilities](#) publications, which are available on the [Audit Wales website](#).

Accuracy and preparation of the 2022-23 accounts

- 20 I issued an unqualified true and fair audit opinion on your accounts on 27 July 2023. The audit opinion in respect of the regularity of expenditure was qualified, because the Health Board breached its resource limit by spending £6.8 million over the £1,133 million that it was authorised to spend in the three-year period 2020-2023.
- 21 I must report issues arising from my work to those charged with governance (the Audit Committee) for consideration before I issue my audit opinion on the accounts. My audit team reported these issues on 21 July 2023. **Exhibit 1** summarises the key issues set out in that report.

Exhibit 1: issues reported to the Audit Committee

Issue	Auditors’ comments
Uncorrected misstatements	The Health Board chose not to correct for several issues identified from our audit of payables and post year end payments (see other significant issues below). The cumulative value of these errors is not material.
Corrected misstatements	There were initially other misstatements in the accounts that were corrected by management, and we brought the more significant of these to the attention of the Audit Committee in our report.

Issue	Auditors' comments
Other significant issues	<p>Our initial testing of Payables and Post Year End Payments both identified initial misstatements.</p> <p>Payables (Note 18 – £44.2 million) We tested an initial sample of £10.3 million (29 sample items), and found eight errors of classification of £1.6 million, but also an overstatement of £119,000. As a result of these findings, the Health Board undertook its own review of this balance and identified a further misclassification of £740,000. Our additional sample of £8 million (ten items), identified no further errors.</p> <p>Post Year End Payments Our initial sample of £10.2 million (22 payments) identified two misstatements. One overstatement of £15,000 and one understatement of £93,000. Our additional sample of £2 million (ten payments) identified no further errors. Whilst we were satisfied the balances were materially correct, we made a recommendation for improvement in this area, which was accepted by management.</p>

22 My separate audit of the charitable funds accounts is ongoing. I anticipate issuing my opinion in January 2024.

Regularity of financial transactions

- 23 The Health Board's financial transactions must be in accordance with authorities that govern them. The Health Board must have the powers to receive income and incur expenditure. Our work reviews these powers and tests that there are no material elements of income or expenditure which the Health Board does not have the powers to receive or incur.
- 24 Where a Health Board does not achieve financial balance, its expenditure exceeds its powers to spend and so I must qualify my regularity opinion.
- 25 The audit opinion in respect of the regularity of expenditure was qualified, because the Health Board breached its resource limit by spending £6.8 million over the £1,133 million that it was authorised to spend in the three-year period 2020-2023.

26 I have the power to place a substantive report on the Health Board's accounts alongside my opinions where I want to highlight issues. Due to the issue set out above, I issued a substantive report setting out the factual details.

Arrangements for securing efficiency, effectiveness, and economy in the use of resources

27 I have a statutory requirement to satisfy myself that the Health Board has proper arrangements in place to secure efficiency, effectiveness, and economy in the use of resources. I have undertaken a range of performance audit work at the Health Board over the last 12 months to help me discharge that responsibility. This work has involved:

- commenting on how NHS Wales is tackling the backlog of patients waiting for orthopaedic treatments;
- publishing an NHS Workforce Data Briefing that brings together a range of metrics and trends to help illustrate the challenges that need to be gripped locally and nationally;
- reviewing the effectiveness of the Health Board's workforce planning arrangements; and
- undertaking a structured assessment of the Health Board's corporate arrangements for ensuring that resources are used efficiently, effectively, and economically.

28 My conclusions based on this work are set out below.

Orthopaedic Services in Wales

29 In March 2023, I commented on orthopaedic services across Wales. My national report [Orthopaedic Services in Wales – Tackling the Waiting List Backlog](#) sets out the scale of orthopaedic waits, changes in demand, aspects of service capacity and some of the nationally co-ordinated work to modernise services. My report also set out key actions NHS Wales needs to take to tackle the challenges in orthopaedic services.

30 My work found that securing timely treatment for people with orthopaedic problems has been a challenge for the NHS in Wales for many years, with the COVID-19 pandemic making this significantly worse. Previous monies allocated by the Welsh Government have resulted in short-term improvements, but have not achieved the sustainable changes to services that were necessary, with orthopaedic waiting list targets not met since they were first established in 2009.

31 Since the impact of the pandemic has lessened, orthopaedic services have been slow to restart, and while necessary infection control regimes will continue to have an impact on throughput, there is scope for current capacity to be used more

efficiently. My scenario modelling indicates that it could take between three to five years to return orthopaedic waits to pre-pandemic levels across Wales. This is based on both a significant drive on community-based prevention and an increase in capacity and activity. Without this, services may never return to pre-pandemic levels.

- 32 My work found that there is a clear commitment to improve orthopaedic services. NHS Wales commissioned efficiency and effectiveness reviews both nationally and locally, which set out a suite of recommendations. A national clinical strategy for orthopaedics was also commissioned which sets out service options and a clear clinical voice on what needs to be done. However, urgent action is needed to secure short-term improvements in waiting times to minimise how long people wait in pain and discomfort, as well as creating more sustainable longer-term improvements.
- 33 In addition to my national report, my team set out how the Health Board's orthopaedic services compare to other health boards across Wales. My comparative report highlighted that the Health Board has:
- the lowest waits in Wales, including patients waiting longer than a year for a first outpatient appointment, and the second lowest proportion of patients on the waiting list for longer than two years;
 - the lowest level of potential latent 'lost' demand as an impact of patients not going to their GP during the pandemic;
 - higher than average waits for radiology services and physiotherapy; and
 - good uptake of 'see on symptom' pathways to reduce unnecessary follow-up outpatient demand.
- 34 My scenario modelling indicates that optimistically the waiting list for the Health Board could return to pre-pandemic levels by 2026, but without concerted effort may take many years to return to pre-pandemic levels, if at all.
- 35 My local report sets out a series of prompts and questions for Board members to inform debate and obtain assurance that improvement actions at a local level are having the desired effect.

NHS workforce data briefing

- 36 In September 2023, I published a [data briefing](#) which set out key workforce data for NHS Wales. My briefing highlighted continued growth of NHS Wales, and reflected that in some instances, the growth in staff levels, particularly in nursing and some medical specialties has not kept up with increasing demand.
- 37 The pandemic clearly had an impact on staff, and the workforce remains under significant pressure. The recent key trends show increased staff turnover, sickness absence and vacancies. This has resulted in greater reliance on external agency staffing and notably increased agency costs to £325 million in 2022-23. Wales is growing its own workforce, with increased nurses and doctors in training.

38 Despite this, there is still a heavy reliance on medical staff from outside of Wales, demonstrating a need to both ensure that education commissioning is aligned to demand, but also that health bodies can recruit sufficient graduates once they have completed their training. My report also highlights some positive trends that show that the NHS is becoming a more flexible and equal employer. The data briefing provides context for the local review of workforce planning my team are currently undertaking at the Health Board.

Workforce planning

- 39 My review examined whether the Health Board has effective arrangements to support workforce planning. It focussed on the strategic and operational workforce planning, how it uses workforce information and how it works with its stakeholders to develop solutions. The work also considered the organisation's capacity and capability to identify and address key short and long-term workforce challenges and how it monitors whether its approach is making a difference.
- 40 My work found that the Health Board is taking appropriate action to address its significant workforce challenges, with good oversight of its Workforce Futures ambitions. However, there are opportunities to strengthen the Workforce Futures implementation plan and focus more on the impact of actions that the Health Board is taking to reduce its workforce risks.
- 41 The Health Board is facing significant workforce challenges owing to its rurality and large geographic footprint, which is further compounded by poor public transport, and a limited supply of qualified staff because the region is sparsely populated, has an ageing population, and does not have a university. Despite the Health Board steadily increasing its workforce over the last decade, staff retention is an issue. The Health Board has the highest rate of staff turnover (15%) and one of the highest rates of vacancies (11.7%) in Wales. Agency spending increased to £10.7 million in 2022-23.
- 42 The Health Board is working proactively with its regional partners to collaboratively address current and future workforce challenges and it has a good understanding of current demand with forecasts based on current service models. Whilst there is an implementation plan to support delivery of its Workforce Futures ambitions, there is scope to have a greater focus on impact, and the Health Board needs a greater understanding of the future shape of services.
- 43 The Health Board is addressing the fragility of its Workforce and Organisational Development Directorate, by strengthening the directorate's operating model and enabling operational service leads to take ownership of their workforce planning. The Health Board has a good understanding of the risks that might prevent the delivery of its workforce ambitions, but actions to mitigate these risks have had minimal effect to date. Despite the Health Board's proactivity, there remain significant recruitment, retention, and education commissioning challenges, which is resulting in high reliance on agency staff.

- 44 The Workforce and Culture Committee receives comprehensive workforce performance information and has good oversight of the Workforce Futures Programme, but there is a need to better understand the impact of its delivery, and opportunities to benchmark with similar organisations.

Structured assessment

- 45 My 2023 structured assessment work took place at a time when NHS bodies were continuing to deal with the legacy of the COVID-19 pandemic in terms of recovering and transforming services and responding to the additional demand in the system that built up during the pandemic. Furthermore, they were also dealing with a broader set of challenges associated with the cost-of-living crisis, the climate emergency, inflationary pressures on public finances, workforce shortages, and an ageing estate.
- 46 My team focussed on the Health Board's corporate arrangements for ensuring that resources are used efficiently, effectively, and economically, with a specific focus on: Board transparency, effectiveness, and cohesion; corporate systems of assurance; corporate approach to planning; and corporate approach to managing financial resources. Auditors also paid attention to progress made to address previous recommendations.

Board transparency, effectiveness, and cohesion

- 47 My work considered whether the Health Board's Board conducts its business appropriately, effectively, and transparently. I paid particular attention to:
- public transparency of Board business;
 - arrangements to support the conduct of Board business;
 - Board and committee structure, business, meetings, and flows of assurance;
 - Board commitment to hearing from staff, users, other stakeholders; and
 - Board skills, experiences, cohesiveness, and commitment to improvement.
- 48 My work found that the Board and Committees generally operate well, there is commitment to improved cohesiveness and transparency but public access to some key documents continues to need improvement. Board and committee papers are generally good quality, with increasing use of data and graphics but oversight of primary care needs strengthening and more could be done to get a broader spectrum of patient experience.
- 49 The Board remains committed to conducting its business openly and transparently, with opportunities to enhance arrangements further. The Health Board makes good use of its website, but more can be done to ensure social media and other communication routes are used effectively to promote and encourage engagement in Board business. It would also be beneficial to have unconfirmed minutes publicly available soon after meetings, to avoid long waits between committee meetings.

- 50 There are good arrangements in place for updating and monitoring compliance with core control frameworks, although opportunities remain to increase public accessibility of policies and ensure the Health Board website has the most recent versions of documents uploaded. The Board and committees are operating well with a balanced and appropriate level of scrutiny. Papers are generally of a good standard, with data and graphics increasingly being used to communicate information. However, the Board could benefit from increased oversight of Primary Care to be assured it is focussing on areas which have significant impact on its population.
- 51 The Board is committed to hearing from patients and staff, but more could be done to get a broader spectrum of feedback. The Board and committees need to hear both positive and negative experiences. While it positive that the Health Board has reintroduced walkarounds, there is scope for the Health Board to formalise this process. The Board is cohesive after a period of flux and demonstrates a positive commitment to continuous improvement, although there remains scope to strengthen committee effectiveness.

Corporate systems of assurance

- 52 My work considered whether the Health Board has a sound corporate approach to managing risks, performance, and the quality and safety of services. I paid particular attention to the organisation's arrangements for:
- overseeing strategic and corporate risks;
 - overseeing organisational performance;
 - overseeing the quality and safety of services; and
 - tracking recommendations.
- 53 My work found that the Health Board still does not have an updated Board Assurance Framework, and as a result cannot be assured that risks are aligned despite there being risk management arrangements. Updated performance management arrangements make better use of data, but updates on the Clinical Quality Framework and audit recommendation tracking need to be more consistently scrutinised.
- 54 The Health Board has not yet completed its update to its Board Assurance Framework (BAF) which is the mechanism to bring together all the relevant information on the risks to achieving the organisation's strategic priorities. This is an ongoing gap in governance. The Health Board is making progress and has developed all the relevant components, but this is yet to be developed into the relevant overarching framework. The Health Board needs to complete this activity as soon as possible.
- 55 There are good risk management arrangements, and a refresh of the corporate risk register has been undertaken. However, the Health Board needs to ensure its transition from holding risk registers on spreadsheets to a specific risk software happens at pace. The Health Board continues to have robust performance

management arrangements and the updated Integrated Performance Report allows for easy identification of challenges and progress.

- 56 The Health Board has appropriate arrangements in place to oversee implementation of the new duties of candour and quality, and to maintain oversight and scrutiny of quality and safety. But there is a gap in the oversight of the Clinical Quality Framework Implementation Plan which has not been received by the Patient Experience, Quality and Safety Committee for some months. There are also good arrangements for tracking progress against audit recommendations, however, a delay in presenting the recommendation tracker to Audit, Risk and Assurance Committee (ARAC) has meant that this committee has not been fully sighted of progress in implementing audit recommendations.

Corporate approach to planning

- 57 My work considered whether the Health Board has a sound corporate approach to planning. I paid particular attention to the organisation's arrangements for:
- producing and overseeing the development of strategies and corporate plans, including the Integrated Medium Term Plan; and
 - overseeing the delivery of corporate strategies and plans.
- 58 My work found that while the Health Board's corporate planning arrangements are good, it has been unable to produce an approvable IMTP.
- 59 The Health Board has strengthened its approach to developing its plans. The ten-year strategy continues to be in place, which has been used to set the framework for the three-year plan. Progress has been made to increase the involvement of Independent Members in the production of plans and strategies, with good use of Board development sessions. However, despite these arrangements, the Health Board has been unable to produce an approvable IMTP for 2023-2026. Instead, it has an Integrated Plan for 2023-2026 and is working to an Annual Delivery Plan for 2023-24 approved by the Welsh Government.
- 60 The Health Board continues to have good arrangements in place to monitor delivery of its plans and strategies, with the refreshed Integrated Performance Reports provided bi-monthly and the quarterly Integrated Plan Progress Reports providing robust assurance to Board and its committees. Scope continues to exist, however, for the Health Board to make clearer links between the 'Powys Outcomes' in its three-year plan and measurable impacts in its Annual Delivery Plan.

Corporate approach to managing financial resources

- 61 My work considered whether the Health Board has a sound corporate approach to managing its financial resources. I paid particular attention to the organisation's arrangements for:
- achieving its financial objectives;

- overseeing financial planning;
- overseeing financial management; and
- overseeing financial performance.

62 My work found that although the Health Board has robust arrangements in place for managing and monitoring its finances, its financial position is increasingly challenging.

63 The Health Board did not meet its revenue financial duties for 2022-23 and is predicting to not meet them again in 2023-24. Working to a revised deficit control total of £12 million by the end of the year, the Health Board was forecasting it would meet its control target at year-end at Month 10.

64 The Health Board has a robust approach to financial planning, with good engagement with the Board. The Health Board requires a savings target of £7.5 million. At Month 10, the Health Board had identified potential saving schemes totalling £11.5 million, although the recurring impact was forecast to be only £5.8 million.

65 The Health Board has good arrangements for overseeing and scrutinising financial management. Robust arrangements also continue to be in place for monitoring and scrutinising its financial position, with comprehensive reports which allow for easy identification of challenges and risks.

Appendix 1

Reports issued since my last annual audit report

Exhibit 2: reports issued since my last annual audit report

The following table lists the reports issued to the Health Board in 2023.

Report	Date
Financial audit reports	
Audit of Financial Statements Report	July 2023
Opinion on the Financial Statements	July 2023
Opinion on Charitable Funds Financial Statements	January 2024 (to be confirmed)
Performance audit reports	
Orthopaedic Services in Wales – Tackling the Waiting List Backlog	March 2023
Orthopaedic Services in Wales – Tackling the Waiting List Backlog: A comparative picture for Powys Teaching Health Board	March 2023
NHS Workforce Data Briefing	September 2023
Review of Workforce Planning Arrangements	February 2024

Report	Date
Structured Assessment 2023	February 2024
Other	
2023 Audit Plan	May 2023

My wider programme of national value for money studies in 2023 included reviews that focused on the NHS and pan-public-sector topics. These studies are typically funded through the Welsh Consolidated Fund and are presented to the Public Accounts Committee to support its scrutiny of public expenditure. Reports are available on the [Audit Wales website](#).

Exhibit 3: performance audit work still underway

There are several performance audits that are still underway at the Health Board. These are shown in the following table, with the estimated dates for completion of the work.

Report	Estimated completion date
Primary Care Follow-up Review	March 2024
Unscheduled Care: Flow out of Hospital – Powys Region	March 2024
Discharge Planning: Progress Update	March 2024
Review of Financial Efficiencies	March 2024
Unscheduled Care: Arrangements for Managing Access	July 2024

Report	Estimated completion date
Review of Planned Care Services Recovery	September 2024

Appendix 2

Audit fee

The 2023 Audit Plan set out the proposed audit fee of £301,850 (excluding VAT). My latest estimate of the actual fee, on the basis that some work remains in progress, is in keeping with the fee set out in the outline.

Appendix 3

Audit of accounts risks

Exhibit 4: audit of accounts risks

My 2023 Audit Plan set out the risks of material misstatement and/or irregularity for the audit of the Health Board's 2022-23 accounts. The table below lists these risks and sets out how they were addressed as part of the audit.

Audit risk	Proposed audit response	Work done and outcome
<p>The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].</p>	<p>The audit team will:</p> <ul style="list-style-type: none">• test the appropriateness of journal entries and other adjustments made in preparing the financial statements;• review accounting estimates for bias; and• evaluate the rationale for any significant transactions outside the normal course of business.	<p>Having undertaken the proposed audit work, we found no significant issues.</p>
<p>There is a significant risk that you will fail to meet your first financial duty to break even over a three-year period. The position at month 12 shows a forecast year-end deficit of £7.5 million. Where you fail this financial duty, we will place a substantive report on the financial statements highlighting the failure and qualify your regularity opinion.</p>	<p>We will focus our testing on areas of the financial statements which could contain reporting bias.</p>	<p>Our testing did not identify any reporting bias.</p>

Audit risk	Proposed audit response	Work done and outcome
<p>The quinquennial valuation of the NHS estate took place as at 1 April 2022.</p> <p>There is a risk that assets are not valued on appropriate bases and that movements in the carrying values of assets are not appropriately accounted for and disclosed.</p> <p>Given the current economic climate, there is a further risk that the carrying values of assets have changed during 2022-23 and that 1 April 2022 valuations are materially misstated at the balance sheet date.</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> • consider the appropriateness of the work of the Valuation Office as a management expert; • test the appropriateness of asset valuation bases; • review a sample of movements in carrying values to ensure that movements have been accounted for and disclosed in accordance with the Manual for Accounts; and • consider whether the carrying value of assets at 1 April 2022 remains materially appropriate or whether additional in-year adjustments are required due to the impact of current economic conditions. 	<p>No material issues were found.</p>

Audit risk	Proposed audit response	Work done and outcome
<p>There is a risk that the Health Board fails to disclose certain related party transactions and disclosures or discloses these transactions at the incorrect value.</p>	<p>We will review the completeness and accuracy of the disclosures.</p>	<p>Our audit work identified two organisations which had been correctly disclosed by two individuals on their Declaration of Interest form, but which had been incorrectly excluded from the note to accounts.</p> <p>We also identified input error between transactions and balances included for organisations within the related party note, and the transactions and balances included within the ledger.</p> <p>All issues were amended prior to the accounts being signed.</p>
<p>There have been historic errors in the Health Board's draft financial statements, when disclosing Senior Officers' and Non-Executives' Pay within the Remuneration Report.</p>	<p>We will review the completeness and accuracy of the disclosures.</p>	<p>Our audit identified several amendments relating to senior officer remuneration, to ensure that disclosures complied with the requirements of the underlying accounting framework.</p>



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