



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru
Auditor General for Wales

Annual Audit Report 2019 – Betsi Cadwaladr University Health Board

Audit year: 2018-19

Date issued: January 2020

Document reference: 1676A2019-20



This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000.

The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding

disclosure or re-use of this document should be sent to the Wales Audit Office at

infoofficer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

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

This report was prepared for the Auditor General by Mike Usher, Dave Thomas, Amanda Hughes and Andrew Doughton.

Contents

Summary report

About this report 5

Key messages 6

Detailed report

Audit of the Accountability Report and Financial Statements 8

I have issued an unqualified opinion on the accuracy and proper preparation of the 2018-19 financial statements of the Health Board, although in doing so, I have brought several issues to the attention of officers and the Audit Committee 8

I have issued a qualified audit opinion on the regularity of the financial transactions within the financial statements of the Health Board, and placed a substantive report alongside my opinion to highlight its failure to meet its statutory financial duties 9

Arrangements for securing efficiency, effectiveness and economy in the use of resources 10

While long-term quality performance trends are positive, the Health Board's financial position remains of significant concern and challenges persist in respect of performance of services 10

There remains a pressing need to develop a vision and strategic plan for health services in north Wales that is both clinically and financially sustainable 11

While there is evidence of actions in respect of turnaround and transformation, these have yet to secure the required improvements. There is a need to balance short-term actions to control costs with longer-term service improvement and modernisation plans 12

Governance arrangements are generally improving but there is a need to strengthen aspects of the senior management structure and ensure that Board working remains cohesive and constructive 12

Workforce management arrangements are clearly strengthening, but there remain long-standing challenges in relation to recruitment, productivity and modernisation 13

The Health Board has made progress in applying the sustainable development principle and the five ways of working, although differences in stakeholder priorities remain 13

My wider programme of work indicates there is a clear drive to continually improve, but resourcing constraints and service demands present challenges and there are opportunities for further focus on efficiency and productivity 14

Appendices

Appendix 1 – reports issued since my last annual audit report 17

Appendix 2 – audit fee 19

Appendix 3 – financial audit risks 20

Summary report

About this report

- 1 This report summarises the findings from the audit work I have undertaken at Betsi Cadwaladr University Health Board (the Health Board) during 2019. I did that work to carry out my responsibilities under the Public Audit (Wales) Act 2004. That Act requires me to:
 - a) examine and certify the accounts submitted to me by the Health Board, and to lay them before the National Assembly;
 - b) satisfy myself that the expenditure and income to which the accounts relate have been applied to the purposes intended and in accordance with the authorities which govern it; and
 - c) satisfy myself that the Health Board has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- 2 I have reported my findings in **Key messages** under the following headings:
 - Audit of the Accountability Report and Financial Statements
 - Arrangements for securing economy, efficiency and effectiveness in the use of resources
- 3 I have issued several reports to the Health Board this year. This annual audit report is a summary of the issues presented in these more detailed reports, a list of which is included in **Appendix 1**.
- 4 **Appendix 2** presents the latest estimate on the audit fee that I will need to charge to cover the actual costs of undertaking my work at the Health Board, alongside the original fee that was set out in the 2019 Audit Plan.
- 5 **Appendix 3** sets out the financial audit risks highlighted in my 2019 Audit Plan and how they were addressed through the audit.
- 6 The Chief Executive and the Director of Finance have agreed this report is factually accurate. We presented it to the Board on 23 January 2020 and strongly encourage the Health Board to arrange wider publication of this report. We will make the report available to the public on the [Wales Audit Office website](#) after the Board have considered it.
- 7 I would like to thank the Health Board's staff and members for their help and co-operation during the audit work my team has undertaken over the last 12 months.

Key messages

Audit of the Accountability Report and Financial Statements

- 8 I have concluded that the Health Board's accounts were properly prepared and materially accurate, and my work did not identify any material weaknesses in the Health Board's internal controls relevant to my audit of the accounts. I have therefore issued an unqualified opinion on their preparation.
- 9 However, in issuing this unqualified opinion, I have brought some issues to the attention of officers and the Audit Committee. We recognised the significant achievement in preparing the accounts by the submission date and that the Health Board had improved some of its accounting practices since the previous year, although there remained scope for further improvement.
- 10 The Health Board did not achieve financial balance for the three-year period ending 31 March 2019 and so I have issued a qualified opinion on the regularity of the financial transactions within its 2018-19 accounts.
- 11 Alongside my audit opinion, I placed a substantive report on the Health Board's financial statements to highlight its failure to achieve financial balance and also its failure to have an approved three-year plan in place.

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

- 12 My 2019 structured assessment work at the Health Board has found that:
- while long-term quality performance trends are positive, the Health Board's financial position remains of significant concern and challenges persist in respect of performance of services.
 - there remains a pressing need to develop a vision and strategic plan for health services in north Wales that is both clinically and financially sustainable.
 - while there is evidence of actions in respect of turnaround and transformation, these have yet to secure the required improvements. There is a need to balance short-term actions to control costs with longer-term service improvement and modernisation plans.
 - governance arrangements are generally improving but there is a need to strengthen aspects of the senior management structure and ensure that Board working remains cohesive and constructive.
 - workforce management arrangements are clearly strengthening, but there remain long-standing challenges in relation to recruitment, productivity and modernisation.

- 13 The Health Board has made progress in applying the sustainable development principle and the five ways of working, although differences in stakeholder priorities remain.
- 14 My wider programme of work indicates there is a clear drive to continually improve, but resourcing constraints and service demands present challenges and there are opportunities for further focus on efficiency and productivity.
- 15 These findings are considered further in the following sections.

Detailed report

Audit of the Accountability Report and Financial Statements

- 16 This section of the report summarises the findings from my audit of the Health Board's financial statements for 2018-19. These statements are how the organisation shows its financial performance and sets out its net assets, net operating costs, recognised gains and losses, and cash flows. Preparing the statements is an essential element in demonstrating appropriate stewardship of public money.
- 17 My responsibilities in auditing the Health Board's financial statements are described in my [Statement of Responsibilities](#) publications, which is available on the Wales Audit Office website.

I have issued an unqualified opinion on the accuracy and proper preparation of the 2018-19 financial statements of the Health Board, although in doing so, I have brought several issues to the attention of officers and the Audit Committee

I have concluded that the Health Board's accounts were properly prepared and materially accurate, and my work did not identify any material weaknesses in the Health Board's internal controls relevant to my audit of the accounts.

- 18 We acknowledged the significant achievement of preparing the financial statements by the submission deadline. In doing so, the Health Board generally prepared its accounts and supporting working papers to a good standard. In the previous year, we had identified opportunities for the Health Board to strengthen its financial management practices and year-end processes. It was pleasing to note that the Health Board had responded positively and strengthened some practices although there remained scope to make further improvements.
- 19 I must report issues arising from my work to those charged with governance before I issue my audit opinion on the accounts. My Financial Audit Manager reported these issues to the Health Board's Audit Committee on 30 May 2019. [Exhibit 1](#) summarises the key issues set out in that report.

Exhibit 1: issues identified in the Audit of Financial Statements Report

The following table summarises and provides comments on the key issues identified.

Issue	Auditors' comments
Uncorrected misstatements	There were no uncorrected misstatements.

Issue	Auditors' comments
Corrected misstatements	There were several corrected misstatements which either corrected classification errors or provided additional narrative disclosure.
Other significant issues	<p>The Health Board had made some improvements to its qualitative accounting practices in the previous year, but arrangements could be further strengthened in the following areas:</p> <ul style="list-style-type: none"> • there were inconsistencies in the estimation methods adopted in the preparation of accounting estimates and the documentation of the judgments applied; and • journal entries into the financial ledger are not always accompanied by adequate descriptors or readily available supporting documentation.

- 20 I also undertook a review of the Whole of Government Accounts return. I concluded that the counterparty consolidation information was consistent with the financial position of the Health Board at 31 March 2019 and the return was prepared in accordance with the Treasury's instructions.
- 21 My separate audit of the Charitable Funds financial statements has also been concluded and the Auditor General issued his opinion on those financial statements on 9 October 2019, following their approval by the Charitable Funds Committee on 4 October 2019. There were no issues of significance in my report on the financial statements.

I have issued a qualified audit opinion on the regularity of the financial transactions within the financial statements of the Health Board, and placed a substantive report alongside this opinion to highlight its failure to meet its statutory financial duties

The Health Board did not achieve financial balance for the three-year period ending 31 March 2019 and so I have issued a qualified opinion on the regularity of the financial transactions within its 2018-19 accounts

- 22 The Health Board's financial transactions must be in accordance with authorities that govern them. It must have the powers to receive the income and incur the expenditure that it has. 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.
- 23 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 the three-year period ended 31 March 2019, the Health Board exceeded its cumulative revenue

resource limit of £4,322 million by £109.9 million and therefore did not meet its financial duty.

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

- 24 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 Health Board's failure to meet its financial duties I issued a substantive report setting out the factual details:
- it failed its duty to achieve financial balance (as set out above); and
 - it does not have an approved three-year plan in place and, in agreement with the Welsh Government, is instead operating under annual planning arrangements.

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

- 25 I have a statutory requirement to satisfy myself that NHS bodies have proper arrangements in place to secure efficiency, effectiveness and economy in the use of their 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:
- undertaking a structured assessment of the Health Board's financial and performance position alongside arrangements for strategic planning, turnaround and transformation, overall governance, and managing workforce productivity and efficiency; and
 - specific use of resources work on Clinical Coding, Operating Theatres and ICT Asset Management.
- 26 In addition, I have undertaken work to discharge my responsibilities under the Well-being of Future Generations Act 2015.
- 27 My conclusions based on this work are set out below.

While long-term quality performance trends are positive, the Health Board's financial position remains of significant concern and challenges persist in respect of performance of services

- 28 This year's structured assessment work is informed by an analysis of performance. We looked at a range of metrics, with a focus on quality, access to services and

finances. I also considered the extent that the metrics represent long-standing issues and/or are likely to present a challenge in future.

- 29 I found that Health Board is demonstrating its commitment to the quality of care with signs of improvement in some areas. The Health Board continues to roll out its quality strategy through its Quality hub¹, use of electronic ward quality dashboards, and has developed and implemented ward accreditation approaches that assess and rate quality arrangements in wards. A number of quality metrics have shown long-term improvements and the Health Board is setting stretching quality targets in a number of areas.
- 30 The Health Board's recurring financial deficit, however, remains a significant challenge. The Health Board has accumulated a £156 million deficit over the last five years. The annual deficit has grown over the last three years and the Health Board is forecasting a £35 million deficit in 2019-20, against the £25 million deficit control total that has been agreed for the year by the Welsh Government.
- 31 Health service performance also continues to present a challenge in North Wales. Waiting times for scheduled care and access to unscheduled care services both remain off-target and are proving extremely challenging to improve to the levels required. More positively, cancer waiting times compare favourably to the Welsh average.

There remains a pressing need to develop a vision and strategic plan for health services in north Wales that is both clinically and financially sustainable

- 32 My structured assessment work examined how the Board sets the strategic direction for the organisation. I also assessed how well the Health Board plans the delivery of its objectives and how it monitors progress in delivering the plans. My findings are set out below.
- 33 There remains a pressing need to develop a strategic vision of health services that is both clinically and financially sustainable. The Health Board has set a high-level strategic direction but needs to be ambitious and clear about changes it needs to make. In doing so, the Health Board may have to re-assess the location and shape of services to ensure that they are effective and sustainable in the longer term. This will require effective and strong clinical leadership, decision making and a stronger approach to workforce, public and stakeholder engagement.

¹ [Link to the BCU QI hub](#)

While there is evidence of actions in respect of turnaround and transformation, these have yet to secure the required improvements. There is a need to balance short-term actions to control costs with longer-term service improvement and modernisation plans

- 34 I have considered the arrangements that the Health Board has put in place to support turnaround and transformation. It is clear from my work that the Health Board has increased its focus on improving the financial position and performance in the short term. A number of turnaround actions are increasing the rigour and attention on financial control, efficiencies and performance improvements.
- 35 I also examined the arrangements to support transformation and found that while the Health Board's improvement groups are developing, there is a risk they become too short term and financially focussed. There is also a need to build change and programme management capacity and capability in the organisation.
- 36 Overall, it is not yet clear that recent turnaround actions will lead to sustained improvement. In my view, a greater focus on transformation of services is urgently required.

Governance arrangements are generally improving but there is a need to strengthen aspects of the senior management structure and ensure that Board working remains cohesive and constructive

- 37 My structured assessment work examined the Health Board's governance arrangements, the way in which the Board and its sub-committees conduct their business, and the extent to which organisational structures are supporting good governance and clear accountabilities. I also looked at the information that the Board and its committees receive to help them oversee and challenge performance and monitor the achievement of organisational objectives. I found the following:
- governance arrangements are generally improving but there is a need to strengthen aspects of the senior management structure and ensure that Board working remains cohesive. My work indicates there is an improving rigour and challenge within Board and Committee meetings, although on occasion this could be more constructive. The executive team is working to improve team effectiveness but there is a need for stronger and formalised leadership for acute services.
 - other notable aspects of governance and internal control include revised performance management arrangements, improving annual plan monitoring, strengthening Health and Safety arrangements and developing board assurance and risk management arrangements.

- the Health Board has reviewed and continues to work to strengthen its system for tracking internal and external audit recommendations and identifying the number of actions that are complete, on-time or overdue.

Workforce management arrangements are clearly strengthening, but there remain long-standing challenges in relation to recruitment, productivity and modernisation

- 38 My structured assessment work examined the actions that the Health Board is taking to ensure that its workforce is well managed and productive. My findings are set out below.
- 39 The Health Board is being proactive in workforce management, but the extent of the challenges faced, particularly in relation to recruitment and retention, are significant and are likely to take several years to resolve. The recruitment challenge cuts across the organisation, but for some specific roles and in specialist areas, vacancies present a greater risk to service continuity and result in fragile and higher-risk services. Recruitment has improved and the Health Board is focussing on unique selling points for some key hard-to-fill roles, which is starting to have a positive effect.
- 40 The Health Board has a historically high use of agency and locum workforce, and this continues to present challenges going forward. Workforce planning is improving although the Health Board recognises that it needs to improve efficiency and productivity measures. There are some examples of prudent healthcare approaches, such as the use of extended scope practitioners. The Health Board is also demonstrating a positive direction of travel in relation to staff engagement and satisfaction.

The Health Board has made progress in applying the sustainable development principle and the five ways of working, although differences in stakeholder priorities remain

- 41 In order to discharge my responsibilities under the Well-being of Future Generations Act 2015, I have undertaken work to review the Health Board's arrangements for applying the sustainable development (SD) principle and the five ways of working. My work considered how the SD principle is being embedded in core arrangements and included an examination of a step being taken by the Health Board to meet one of its wellbeing objectives. Specifically, we examined 'Healthy Lifestyles – Healthy Weight,' an initiative to support people to make the right choices to improve their health.
- 42 My work found that the Health Board was able to provide examples that show it is making progress towards applying the SD principle but recognises that this progress needs to be sustained to deliver the change it wants to see. The Health Board identified it was working better with partner organisations, focussing more on

prevention and taking a long-term view and this is being supported by the Welsh Government's transformation fund. The Health Board also recognises the need for innovative approaches to involving and working with citizens and stakeholders in relation to the requirements of the Well-being of Future Generations Act, and is engaging citizens through both its own arrangements and also through co-ordination and collaboration with the four Public Services Boards in North Wales.

- 43 I also found that there are good examples of how the five ways of working are being applied, although differences in stakeholder priorities and long-term funding challenges remain. Whilst I found a clear focus on long-term needs, the funding model is not based on a long-term approach. There is also a clear focus on prevention in relation to the 'Healthy Lifestyles – Healthy Weight' initiative, with work to tackle drivers of obesity and inactivity. There is, however, more work to be done in regard to collaboration and alignment of organisational aims with partner bodies.

My wider programme of work indicates there is a clear drive to continually improve, but resourcing constraints and service demands present challenges and there are opportunities for further focus on efficiency and productivity

The Health Board has improved its coding performance significantly, but has not yet realised the full potential of clinical coding and more work is needed to engage with clinicians and improve medical records

- 44 Clinical coding involves the translation of written clinical information (such as a patient's diagnosis and treatment) into a code format. Good quality clinically coded data plays a fundamental role in the management of hospitals and services. It can be used to support healthcare planning, resource allocation, cost analysis and assessments of treatment effectiveness.
- 45 My review found that the Health Board's clinical coding performance has improved significantly from a low baseline in 2017 but is not yet meeting the Welsh Government target. My work also found that:
- there has been some improvement in the accuracy of clinical coding, albeit this is slightly below the all-Wales average;
 - the Health Board has not yet started to use clinical coded data to its full potential to support improvement; and
 - the Health Board has made some progress on implementing previous recommendations, but the historical coding backlog was a barrier to completing many of the actions.

The Health Board is improving its operational ICT asset management approach but is struggling to allocate sufficient resources for technology replacement

- 46 Effective informatics services are an essential part of the NHS, and information systems play an important part in delivering patient focused care. Failure to manage ICT system and infrastructure assets effectively could increase the risk of service disruptions and incidents. My review considered the strategy and arrangements in place for the management of the Health Board's ICT assets and technology replacement.
- 47 My work identified that the Health Board is improving its operational ICT asset management approach but is struggling to allocate sufficient resources for technology replacement. The Health Board is developing a digital informatics strategy, and this is starting to become a core element of the overall vision and strategy of the Health Board. There are clearer operational plans for ICT asset replacements which are based on risk assessment and the Health Board recognises that additional financial resources are required to fund this. Nevertheless, historic capital spending on ICT is low and this may affect the ability of teams to fully support IT desktop and infrastructure replacement.

There is good evidence that management and utilisation of operating theatres is improving, however, there is a need to build on this improvement by having a greater focus on surgical productivity, and by addressing estate and workforce challenges at some sites

- 48 Operating theatre services are an essential part of patient care. Efficient management of theatres results in cost effectiveness, supports the Health Board in achieving its waiting-time targets and contributes to high-quality patient care. My work provided an assessment of progress against recommendations I made in 2014 and also considered some wider aspects of efficiency and productivity.
- 49 My work identified that the Health Board is improving its operating theatre utilisation and wider aspects of efficiency. There has been a consistent focus on aspects of operating theatre efficiency and in general over this time there have been a number of improvements. The Health Board continues to be affected by unscheduled care pressures which can result in cancellation of planned theatre sessions.
- 50 I also found that the Health Board must take the opportunity to build on its improvements to date, by driving greater surgical productivity. For example, there remains opportunity to further reduce patient and session cancellations and also focus on improving the number of procedures per session. At present there remains much variation in productivity across sites which if addressed would help improve patient waiting times and reduce costs.

- 51 Since 2014 there has also been a focus on quality and approaches supporting continuous improvement² and staff feedback is generally positive, although I highlighted some areas in my report that the Health Board needs to focus on. The Health Board's theatre estate is mixed, with some new 'state of the art' facilities in some sites, while other areas need refurbishment or modernisation.
- 52 Turning to workforce, like other areas in the Health Board, staffing remains a challenge. There is a risk of staffing shortfalls as a result of retirement, impact of pension taxation, and challenges in recruitment could become increasingly problematic if not addressed.

² The Health Board uses 'PDSA - plan, do, study, act' cycles.

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 2019. Links to reports are provided below, where available.

Report	Date
Financial audit reports	
Audit of Financial Statements Report	May 2019
Opinion on the Financial Statements³	June 2019
Audit of the Charitable Funds Statements Report	October 2019
Opinion on the Charitable Funds Financial Statements	October 2019
Performance audit reports	
Structured Assessment 2019	December 2019
Well-being of Future Generations	October 2019
Clinical Coding	May 2019
Review of operating theatres	August 2019
Review of ICT asset management	November 2019
Other	
2019 Audit Plan⁴	February 2019

Exhibit 3: performance audit work still underway

There are also a number of 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
Orthopaedics	February 2020
Continuing Healthcare management arrangements	June 2020
Quality Governance arrangements	July 2020
Ophthalmology services	July 2020

³ Link to Betsi Cadwaladr University Health Board 2018-19 Annual Report and Accounts. Pages 208 and 209 refer to the opinion on the audit of accounts.

⁴ Links provided where papers are included in Betsi Cadwaladr University Health Board and committee meeting agenda.

Exhibit 4: other audit work underway

I have also committed to undertake additional work during the course of the last year.

Report	Estimated completion date
Review of interim director appointment arrangements	February 2020
Refurbishment/Asbestos removal at Ysbyty Glan Clwyd	May 2020

Appendix 2

Audit fee

The 2019 Audit Plan set out the proposed audit fee of £427,921 (excluding VAT). My latest estimate of the actual fee, on the basis that some work remains in progress (as shown in [Exhibit 3](#)), is in keeping with the fee set out in the outline.

Appendix 3

Financial audit risks

Exhibit 5: financial audit risks

My 2019 Audit Plan set out the financial audit risks for the audit of the 2018-19 financial statements. 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 240.31-33].</p>	<p>My 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 biases; and• evaluate the rationale for any significant transactions outside the normal course of business.	<p>On a sample basis we tested both journal entries and accounting estimates and found no evidence of the management override of controls.</p> <p>We were satisfied that the accounts were free from material error. However, we identified scope for the Health Board to strengthen its accounting practices relating to both journal entries and accounting estimates and made recommendations accordingly.</p>
<p>There is a risk of material misstatement due to fraud in revenue recognition and as such is treated as a significant risk [ISA 240.26-27].</p>	<p>My audit team will consider the completeness of miscellaneous income.</p>	<p>As part of our audit testing, we carried out work to provide assurance over the completeness of miscellaneous income, including third party verification. We were satisfied that it was materially stated.</p>

Audit risk	Proposed audit response	Work done and outcome
<p>The Board will once again fail to meet its first financial duty to break even over a three-year period. The position at month 9 shows a year-to-date deficit of £30.2 million and a forecast year-end deficit of £42 million. This, combined with the outturns for 2016-17 and 2017-18, predicts a three-year deficit of £110.6 million.</p> <p>As a result, I will be qualifying my regularity audit opinion and placing a substantive report on the financial statements highlighting the failure.</p> <p>The current financial pressures on the Board increase the risk that management judgements and estimates could be biased to ensure the forecast deficit does not worsen further.</p>	<p>My audit team will focus its testing on areas of the financial statements which could potentially contain reporting bias.</p>	<p>We undertook a range of audit work to provide assurance over the risk of bias to ensure that the actual deficit position did not worsen from the forecasted position. This included:</p> <ul style="list-style-type: none"> • detailed sample testing of transactions either side of the year-end to ensure that they were recorded in the correct accounting period. This was focussed on the areas of greatest risk. • ensuring that accounting estimates were prepared on a reasonable basis and were supported by appropriate accounting judgements. <p>We were satisfied that the accounts were free from material error.</p>

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Text phone.: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

Swyddfa Archwilio Cymru
24 Heol y Gadeirlan
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn testun: 029 2032 0660

E-bost: post@archwilio.cymru

Gwefan: www.archwilio.cymru