



**GIG**  
CYMRU  
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WALES

Bwrdd Iechyd Prifysgol  
Bae Abertawe  
Swansea Bay University  
Health Board

Cadeirydd/Chairman: **Emma Woollett**  
Prif Weithredwr/Chief Executive: Mark Hackett

**gofalu am ein gilydd, cydweithio, gwella bob amser**  
**caring for each other, working together, always improving**

**Pencadlys Bwrdd Iechyd Prifysgol Bae Abertawe**

Un Porthfa Talbot, Parc Ynni, Baglan, Port Talbot, SA12 7BR **Ffôn** 01639 683334

**Swansea Bay University Health Board Headquarters**

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Rydym yn croesawu gohebiaeth yn y Gymraeg ac yn y Saesneg. We welcome correspondence in Welsh or English.



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Dyddiad / Date: 8<sup>th</sup> June 2022

Auditor General for Wales  
Audit Wales  
24 Cathedral Road  
Cardiff  
CF11 9LJ

## Representations regarding the 2021-22 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Swansea Bay University Local Health Board (the Health Board) for the year ended 31 March 2022 for the purpose of expressing an opinion on their truth and fairness, their proper preparation and the regularity of income and expenditure.

We confirm that, to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

### Management representations

### Responsibilities

As Chief Executive and Accountable Officer I have fulfilled my responsibility for:

- Preparing the financial statements in accordance with legislative requirements and the Treasury's Financial Reporting Manual. In preparing the financial statements, I am required to:
  - observe the accounts directions issued by [Welsh Ministers/HM Treasury], including the relevant accounting and disclosure requirements, and apply appropriate accounting policies on a consistent basis;
  - make judgements and estimates on a reasonable basis;
  - state whether applicable accounting standards have been followed and disclosed and explain any material departures from them; and



Bwrdd Iechyd Prifysgol Bae Abertawe yw enw gweithredu Bwrdd Iechyd Lleol Prifysgol Bae Abertawe  
Swansea Bay University Health Board is the operational name of Swansea Bay University Local Health Board

- prepare them on a going concern basis on the presumption that the services of the Health Board will continue in operation.
- Ensuring the regularity of any expenditure and other transactions incurred.
- The design, implementation and maintenance of internal control to prevent and detect error.

## Information provided

We have provided you with:

- Full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of fraud or suspected fraud that we are aware of and that affects the Health Board and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements.
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.
- Our knowledge of all possible and actual instances of irregular transactions.

## Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data, and the significant assumptions used in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor, accounted for, and disclosed in accordance with the applicable financial reporting framework.



There is one uncorrected misstatement in the financial statements. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. A summary of these items is set out below:

- The Health Board has not applied the latest index rate (113) in the calculation of indexation within the financial statements, in line with all other Welsh NHS bodies and instruction from Welsh Government. This has resulted in the following misstatements.
  - an understatement of £7.81m in the indexation (cost) figures
  - an understatement of £0.82m in the indexation (accumulated depreciation) figures
  - an understatement of £6.89m in the indexation (net book value) figures
  - an understatement of £4.05m in the reversal of impairment figures credited to the Statement of Net Comprehensive Expenditure
  - an understatement of £2.83mm in gains posted to the revaluation reserve
  - an understatement of £0.07m in depreciation charged to the Statement of Net Comprehensive Expenditure
  - an overstatement of 3.99m in the net operating costs for the financial year

### **Representations by those charged with governance**

We acknowledge that the above representations made by management have been discussed with us.

We acknowledge our responsibility for ensuring that the company maintains adequate accounting records.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Health Board on 8 June 2022.

We confirm that we have taken all necessary steps to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieving recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

Signed by:

Chief Executive as Accountable Officer

Date: 8<sup>th</sup> June 2022

Signed by:

Chair of Board

Date: 8<sup>th</sup> June 2022

