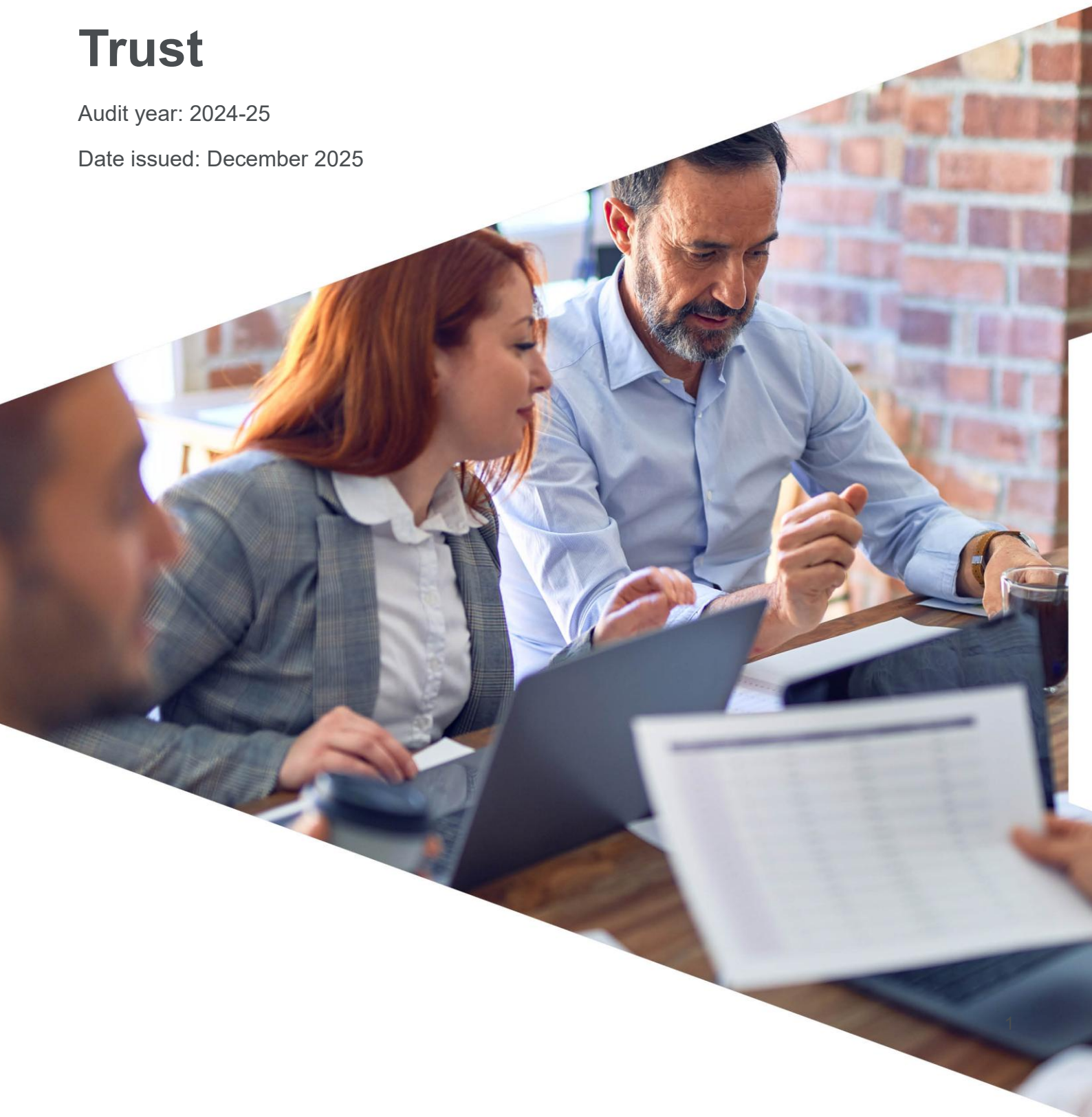


Audit of Accounts Report – Swansea Bay University Local Health Board Funds Held on Trust

Audit year: 2024-25

Date issued: December 2025



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For further information, or if you require any of our publications in an alternative format and/or language, please contact us by telephone on 029 2032 0500, or email info@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.

Introduction



Adrian Crompton

Auditor General for
Wales

I am pleased to share my Audit of Accounts Report. The Report summarises the main findings from my audit of your 2024-25 accounts. My team have already discussed these findings with the Director of Finance.

My team have substantially completed the audit work as set out in my Audit Plan dated July 2025, subject to completing final review and closure processes.

Since my Audit Plan, I have updated materiality to reflect the 2024-25 accounts. My response to previously identified audit risks is set out in **Appendix 1**.

I am required to provide an opinion on whether the accounts have been properly prepared and give a true and fair view, in all material aspects. My proposed audit opinion and basis for it is outlined in **Appendix 3**.

It is the responsibility of Those Charged with Governance to address any matters raised in my report and provide me with a Letter of Representation.

I would like to extend my gratitude to the officers and staff of Swansea Bay University Local Health Board Funds Held on Trust for their cooperation throughout the audit process which has been invaluable in completing this audit effectively.

Your audit at a glance



We intend to issue an **unqualified opinion** on the accounts.

See [Appendix 3](#)



There are **no significant matters** to report.

See [Audit findings](#)



There are **no uncorrected misstatements** in the accounts.

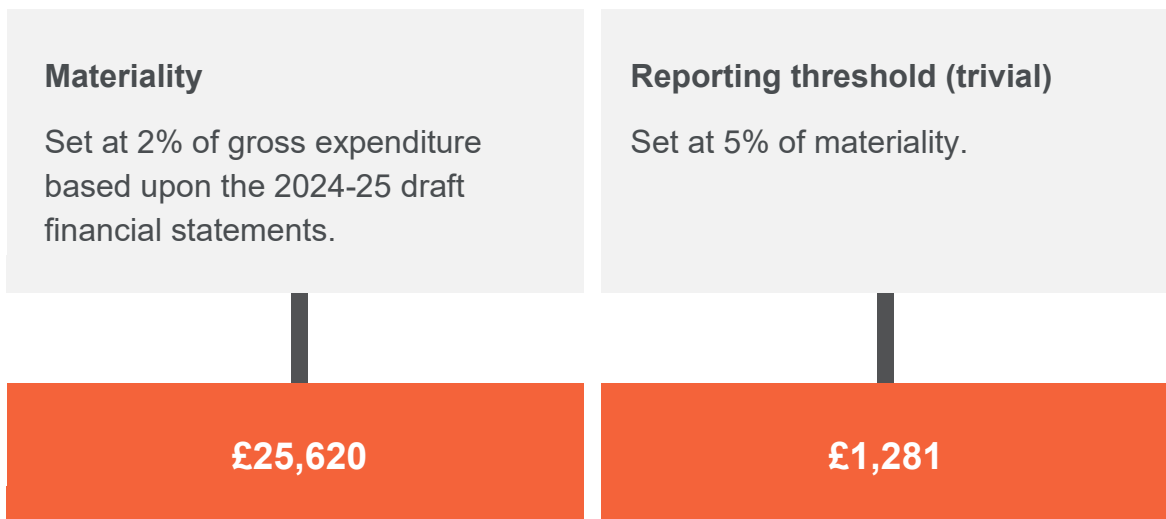
See [Audit findings](#)



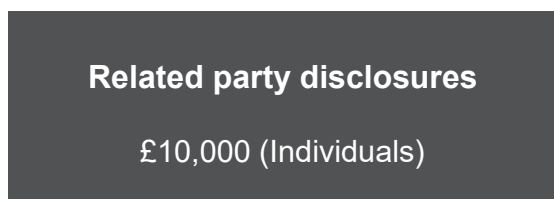
We aim to certify your accounts on **21 January 2026**, which is in advance of the deadline of **31 January 2026**.

Materiality

I use professional judgement to set a materiality threshold to identify and correct misstatements that could affect users' decisions, considering both financial errors and disclosure requirements according to the applicable accounting framework and laws. My team updates materiality throughout the audit and I include in this report matters that exceed my reporting threshold, as set out below:



There are some areas of the accounts that may be of more importance to the user of the accounts. We confirm lower materiality levels for these:



Audit Findings

Misstatements

There were some misstatements identified in the accounts.

Uncorrected misstatements

There are no misstatements identified in the accounts, which remain uncorrected.

Corrected misstatements

During our audit, we identified misstatements that have been corrected by management, but which we consider should be drawn to your attention.

These are set out in **Appendix 2**.

Other significant issues

International Standard on Auditing 260 requires us to communicate with those charged with governance. We must tell you significant findings from the audit and other matters if they are significant to your oversight of the Authority's financial reporting process.

There are no significant matters to report to you.

Proposed audit opinion

Audit opinion

We intend to issue an unqualified true and fair opinion on this year's accounts once you have provided us with a Letter of Representation (see below).

Our proposed audit report is set out in **Appendix 3**.

Letter of representation

A Letter of Representation is a formal letter in which you confirm to us the accuracy and completeness of information provided to us during the audit.

Some of this information is required by auditing standards; other information may relate specifically to your audit.

The letter we are requesting you to sign is included in **Appendix 4**.

Audit team and ethical compliance

The main members of my team who carried out the audit work, together with their contact details, are summarised in **Exhibit 1**.

Exhibit 1: my local audit team

Engagement Director Kate Havard
kate.havard@audit.wales

Audit Manager Jason Blewitt
jason.blewitt@audit.wales

Audit Lead Andrea Thomas
andrea.thomas@audit.wales

It was necessary to make a change to the Engagement Director advertised in the Audit Plan issued in July 2025. Kate Havard, a Director within Audit Wales, was the Engagement Director for the audit of accounts.

Compliance with ethical standards

We confirm that:

- we have complied with the ethical standards we are required to follow in carrying out our work;
- we have remained independent of yourselves;
- our objectivity has not been comprised; and
- we have no relationships that could undermine our independence or objectivity.

Staff secondment

As disclosed in our Audit Plan, one member of staff employed by the Wales Audit Office has been seconded to the Health Board. The staff member is a trainee accountant seconded as part of an initiative funded by the Welsh Consolidated Fund designed to allow trainee accountants to broaden their skills and to gain experience of working across different parts of the Welsh public sector. The staff member was seconded to the Health Board for the period January to June 2024.

To safeguard against any potential threats to auditor independence and objectivity, the following restrictions apply in line with the FRC's Revised Ethical Standard 2024:

- the secondee has not undertaken any management responsibilities; and
- the secondment was for a maximum of 12 months.

Appendix 1 – Audit risks and outcomes

Exhibit 2 lists the audit risks included within my Audit Plan and sets out how they were addressed as part of the audit.

Exhibit 2: audit risks reported previously, work done and outcome

Audit risk	Work done	Outcome
<p>Risk of management override</p> <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.</p>	<p>The audit team:</p> <ul style="list-style-type: none">• tested the appropriateness of journal entries and other adjustments made in preparing the financial statements;• reviewed accounting estimates for bias; and• evaluated the rationale for any significant transactions outside the normal course of business.	<p>Audit work did not identify any instances of management override of controls.</p>

Audit risk	Work done	Outcome
<p>Risk of fraud in revenue recognition</p> <p>There is a risk of material misstatement due to fraud in expenditure recognition and as such is treated as a significant risk [ISA240.27].</p>	<p>The risk of fraud in revenue recognition was initially included in the Audit Plan presented to the Health Board in July 2025. However, further audit work and stand back of this has concluded that whilst there is an assertion level risk for completeness of income, there isn't a significant risk of fraud in revenue recognition given the sources of income and the evidence available to support this.</p>	<p>See work done.</p>
<p>Investment balances</p> <p>The investments balance contains a mix of investments which are complex to value and there is subjectivity in their valuation.</p> <p>There is therefore a risk that the investments balances are materially misstated.</p>	<p>My audit team:</p> <ul style="list-style-type: none"> • agreed the valuations to appropriate supporting documentation; • reviewed 'control assurance' reports from the relevant fund managers; and • evaluated the risk of residual material misstatement and the need for additional audit procedures. 	<p>Audit work did not identify any issues.</p>
<p>Related party disclosures</p>	<p>My audit team:</p>	<p>Audit work did not identify any significant issues.</p>

Audit risk	Work done	Outcome
<p>The financial statements must disclose any related party relationships along with the transactions and balances between the Health Board Charitable Fund and the other body/party.</p> <p>The Health Board Charitable Fund has many relationships that could be considered a related party. Where related party relationships arise via individual officer or member relationships, there is likely to be less transparency regarding these relationships. These transactions are of high interest and are considered to be material by their nature</p> <p>There is a risk of material misstatement due to incomplete or inaccurate disclosures, even where these are of relatively low value. The Authority has many relationships that could be considered a related party. Many are well known for example, the Welsh Government as funder.</p>	<ul style="list-style-type: none">• reviewed management’s process for identifying related party relationships and associated transactions and balances;• undertook procedures to confirm the completeness of related party relationships; and• ensured disclosures are complete, accurate, consistent with evidence and are in accordance with requirements.	

Audit risk

Work done

Outcome

However, where related party relationships arise via individual officer or member relationships, there is likely to be less transparency regarding these relationships. These transactions are of high interest and are considered to be material by their nature

There is a risk of material misstatement due to incomplete or inaccurate disclosures, even where these are of relatively low value.

Appendix 2 – Summary of corrections made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention.

Value of correction	Accounts area	Explanation
£54,000	<p>Note 14 Analysis of current debtors</p> <p>Audit testing identified the following errors:</p> <ul style="list-style-type: none"> • £32,000 of prepayments had been omitted for research costs paid in advance; • £22,000 of income due from two sources had been omitted from debtors at year end <p>The financial statements were amended to include these.</p>	To ensure accuracy of the financial statements.
Various (No overall effect on the primary statements)	A number of other minor amendments were made to the financial statements relating to either revisions to disclosures of information, narrative changes or typing errors.	To ensure accuracy of the financial statements.

Appendix 3 – Proposed audit report

Proposed audit report

The independent auditor’s report of the Auditor General for Wales to the trustees of Swansea Bay University Health Board Funds Held on Trust

Report on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements of Swansea Bay University Health Board Funds Held on Trust for the year ended 31 March 2025 under the Charities Act 2011.

The financial statements comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and related notes, including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2025 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Accounting Officer is responsible for the other information in the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Matters on which I report by exception

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit;
- sufficient accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- the information given in the financial statements is inconsistent in any material respect with the trustee's report.

Responsibilities of the trustees for the financial statements

As explained more fully in the statement of trustee's responsibilities, the trustees are responsible for:

- maintaining sufficient accounting records;
- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the trustees determine is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using

the going concern basis of accounting unless the trustees anticipate that the services provided by the charity will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

I have been appointed as auditor under section 150 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- enquiring of management, the Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Swansea Bay University Health Board Funds Held on Trust's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals.
- obtaining an understanding of Swansea Bay University Health Board Funds Held on Trust's framework of authority as well as other legal and regulatory frameworks that the Swansea Bay University Health Board Funds Held on Trust operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Swansea Bay University Health Board Funds Held on Trust.
- obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Charitable Funds Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the trustees; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all the audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Swansea Bay University Health Board Funds Held on Trust's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Adrian Crompton
Auditor General for Wales
21 January 2026

1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

Appendix 4 – Letter of representation

Final letter of representation

[Audited body's letterhead]

Auditor General for Wales
Wales Audit Office
1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

20 January 2026

Representations regarding the 2024-25 financial statements

This letter is provided in connection with your audit of the financial statements of Swansea Bay University Local Health Board Funds Held on Trust for the year ended 31 March 2025 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

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

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements, the Charities Act 2011 and the 2019 Charities SoRP (FRS102); in particular, the financial statements give a true and fair view in accordance therewith; and
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and 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 Swansea Bay University Local Health Board Funds Held on Trust 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.

The financial statements are free of material misstatements, including omissions. There are no uncorrected misstatements in the financial statements.

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 Charitable Funds Committee on 20 January 2026.

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.

Signed by:

Signed by:

Officer who signs on behalf of
management

Chairman of trustees on behalf of
those charged with governance

Date:

Date:

Audit quality

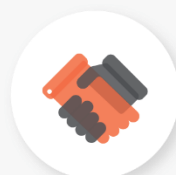
Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established 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

Supporting you

Audit Wales has a range of resources to support the scrutiny of Welsh public bodies, and to support them in continuing to improve the services they provide to the people of Wales.

Visit our website to find:



Our publications which cover our audit work at public bodies.



Information on our upcoming work and forward work programme for performance audit.



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Details of our Good Practice work and events including the sharing of emerging practice and insights from our audit work.



Our newsletter which provides you with regular updates on our public service audit work, good practice, and events.



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Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.

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

