

Velindre University NHS Trust – Annual Audit Summary 2025

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Contents

Contents	2
Foreword	4
Your audit at a glance	5
Audit of accounts findings	7
Performance audit findings	10
Audit quality	14
Further information	15

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

Foreword



Adrian Crompton

Auditor General for
Wales

I am pleased to share my Annual Audit Summary for Velindre University NHS Trust (the Trust). It summarises the main findings from my 2025 audit work undertaken to fulfil my responsibilities under the Public Audit (Wales) Act 2004 and the Well-Being of Future Generations (Wales) Act 2015.

I provided opinions on whether the accounts were properly prepared and gave a true and fair view, in all material aspects, and whether expenditure and income have been used for the purposes intended and in accordance with the authorities which govern you.

My audit team has also assessed whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, and acted in line with the sustainable development principle. In doing so, my audit team has undertaken my annual structured assessment work and reviewed progress made by the Trust to implement our [2022 quality governance](#) audit recommendations. As set out in my audit plan, these reviews have been carried out in line with the [International Organisation of Supreme Audit Institutions \(INTOSAI\) standards](#).

The detailed audit findings for each of my reviews are set out in the respective reports which my audit team have presented to the Audit Committee throughout the year. The performance audit reports are available on the [Audit Wales website](#) and further links are available in the summary.

The Annual Audit Summary should be shared with the Board. I will then make the summary available to the public on the [Audit Wales website](#).

I would like to extend my gratitude to the Trust's staff for their help and cooperation throughout my audit.

Your audit at a glance



I received the draft accounts in line with the statutory deadline of 2 May 2025. The quality of the draft accounts and working papers were both of satisfactory quality.



In advance of the statutory deadline of 30 June 2025, I issued an unqualified true and fair opinion, and an unqualified regularity opinion. I also issued a substantive report on the accounts. There was one uncorrected misstatement in the accounts, and we also reported on some other significant issues that arose during the audit process.

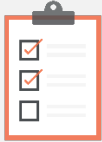


My performance audit work found the Trust remains committed to transparency and improvement, but needs sustained focus to stabilise the Board, strengthen committee effectiveness, improve reporting, and achieve full transparency. While financial planning and financial governance remain strong, further improvements are required in risk management, recommendation tracking, partnership assurance, and how the Trust develops, approves, and reports delivery of its Integrated Medium-Term Plan.

The Trust has fully implemented eleven of the twelve recommendations we made in our 2022 Review of Quality Governance Arrangements review. However, for some of its quality priorities, the Trust needs to define clearly the intended outcomes and success measures.



My audit team made several recommendations to the Trust which focused on strengthening Board transparency, support for transformation, and tracking actions to mitigate risk and address recommendations.



There is still some work outstanding from my Audit Plan dated March 2025. My team expects to complete this work by September 2026.

Audit of accounts findings

Preparing annual accounts is an essential part of demonstrating the stewardship of public money. The accounts show the organisation's financial performance and set out its net assets, net operating costs, gains and losses, and cash flows. My annual audit of those accounts provides opinions on whether the accounts are properly prepared and give a true and fair view, in all material aspects, and the proper use ('regularity') of public monies.

My responsibilities in auditing the accounts are described in my [Statement of Responsibilities](#) publications, which are available on the [Audit Wales website](#).

The draft accounts were presented for audit on 2 May 2025. This was in line with the deadline set by the Welsh Government. The quality of the draft accounts presented for audit was generally good although we experienced delays in the receipt of a compliant Accountability Report.

My audit opinions

I must report issues arising from my work to those charged with governance for consideration before I issue my audit opinion on the accounts. I reported these issues within my Audit of Accounts Report to the Audit Committee on 24 June 2025, and to the Board on 26 June 2025.

True and fair

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

There was one uncorrected misstatement relating to a misclassification error of £0.93 million between long and short-term provisions. This had no impact on the Trust's closing position.

I also reported on the following issues:

- The delays experienced in the receipt of the Trust's Accountability Report;

- Delays were experienced in Trust addressing some of our audit queries, especially in regard to Property, Plant and Equipment account area; and
- Insufficient audit evidence existed to confirm that the Welsh Government had formally approved some interim senior appointments per Welsh Health Circular (WHC/2024/013).

My work did not identify any material weaknesses in internal controls but I made five recommendations related to some areas for improvement in the Trust's accounts production processes and IT controls. Progress against these recommendations will be monitored during next year's audit.

I concluded that the Trust's accounts were properly prepared and materially accurate and issued an unqualified audit opinion on them.

Substantive Report

I issued a substantive report to the Senedd setting out the governance concerns raised by the Trust regarding its hosted bodies and the related, and ongoing, review being undertaken by the Welsh Government into this. I will follow this up and consider what, if any, work I need to do in this area for 2026 following review of the Welsh Government report.

Regularity

The Trust is only allowed to receive income and incur expenditure in ways that follow the rules set by the authorities that govern it.

Further, where a Trust does not achieve financial balance, its expenditure exceeds its powers to spend and so I must qualify my regularity opinion.

The Trust met its first financial duty to break even over a three-year period ending 31 March 2025. All other material financial transactions were in accordance with authorities and used for the purposes intended, so I have issued an unqualified opinion on the regularity of the financial transactions within the Trust's 2024-25 accounts. The Trust met its second financial duty to have an approved three-year plan in place.

Whole of Government Accounts

I also undertook a review of the Whole of Government Accounts return. I concluded that the counterparty consolidation information was consistent with the Trust's financial position at 31 March 2025 and the return was prepared in accordance with the Treasury's instructions.

Performance audit findings

Structured assessment

- 1 My team looked at how well the Trust is governed and whether it makes the best use of its resources.
- 2 I found that transparency is generally good for public Board business, but clearer justification is needed for items heard by the Board in private. There were also delays to publishing some committee papers and unconfirmed minutes in 2025. The Trust has reviewed its current committee structure and plans to implement and embed a revised structure and improve forward planning to focus on key priorities. During 2025 and into early 2026, there have been significant changes to both executive and non-executive Board members. More changes are expected during 2026. The Trust is developing a Board Development Plan in response. The Trust strengthened its monitoring of Welsh Health Circulars after missing a 2024 SACT (Systemic Anti-Cancer Therapy) update.

- 3 Assurance arrangements are improving. Reporting of strategic risks is stronger and scrutiny is effective, but corporate risk actions do not consistently include SMART¹ target dates. Performance reporting has improved through exception-based reporting, but the quality of the narrative varies, and actions/timescales are not always clear enough to evidence trajectory and delivery. Tracking of audit recommendations is generally effective, but some actions slip beyond agreed dates. However, progress reporting on quality and safety recommendations is currently too high-level and needs to set out actions and timescales for overdue items.
- 4 The Trust continues to have a clear long-term strategic direction and an established planning approach, supported by enabling strategies and growing partnership working. However, to strengthen Board assurance, it still needs to improve how plans articulate and evidence intended impacts and outcomes, not just actions. It also needs to ensure consistent Board and committee oversight of delivery reporting throughout the life of the Integrated Medium-Term Plan (IMTP).
- 5 Financial governance is a strength. The Trust has met key financial duties, produces high-quality finance reports, and the Board demonstrates effective scrutiny. However, delivery of savings and funding assumptions inherently carry risk in the current financial climate.
- 6 I made seven recommendations focused on:
 - improving Board transparency by keeping the website updated with committee papers, and developing a review mechanism to ensure discussions heard in private are appropriate;

¹ Specific, measurable, achievable, relevant, and time-based.

- enhancing transparency of compliance with Welsh Health Circulars and important safety alerts;
- introducing a recorded and transparent mechanism for cross-referring matters between committees;
- ensuring that there is sufficient change and transformation support arrangements to support staff through change;
- ensuring all actions to address risks have clear target dates;
- improving quality and safety recommendation tracking; and
- ensuring timely publication of the IMTP on the Trust’s website.

Improving quality governance

- 7 My team looked at reviewed progress made by the Trust to implement the twelve recommendations in my [2022 Review of Quality Governance Arrangements](#).
- 8 I found that the Trust has implemented all but one of the recommendations in full, with notable progress made on the one remaining recommendation still in progress. Significant improvements are evident in the Trust’s approach to quality and safety assurance, the establishment of clear quality priorities, and the timeliness of quality and safety information.
- 9 The Trust is making progress to understand staff experience and has developed frameworks and initiatives to enable and support staff to speak up safely.
- 10 The Trust has made significant progress to improve the information on the operational risks that is presented to meetings. The improvement in information supports good challenge and scrutiny of risks.
- 11 The Trust has also made significant progress in implementing its statutory duties on quality and candour.
- 12 I made no new recommendations.

Performance audit work still underway

At the time of reporting, the following reviews were still underway at the Trust:

- review of digital transformation (2024 Audit Plan); and
- review of estates management (2025 Audit Plan).

Audit quality

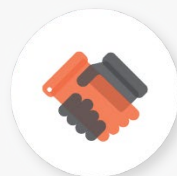
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We use three lines of assurance to show how we achieve this. We have set up an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by the Institute of Chartered Accountants in England and Wales and our Chair of the Board, acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2024](#).



Our People

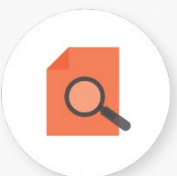
- Selection of right team
- Use of specialists
- Supervisions and review



Arrangements for achieving audit quality

Selection of right team

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support



Independent assurance

- EQRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

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