

Head of Internal Audit Opinion & Annual Report 2025/26

Public Health Wales NHS Trust



Reasonable Assurance

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Author:	Paul Dalton
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1. Executive Summary


1.1 Purpose of this Report

Public Health Wales NHS Trust's (the 'Trust' or the 'organisation') Board is accountable for maintaining a sound system of internal control that supports the achievement of the organisation's objectives and is also responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system. A key element in that flow of assurance is the overall assurance opinion from the Head of Internal Audit.

This report sets out the Head of Internal Audit Opinion together with the summarised results of the internal audit work performed during the year. The report also includes a summary of audit performance and an assessment of conformance with the Global Internal Audit Standards (GIAS).

1.2 Head of Internal Audit Opinion 2025/26

The purpose of the annual Head of Internal Audit opinion is to contribute to the assurances available to the Chief Executive as Accountable Officer and the Board which underpin the Board's own assessment of the effectiveness of the system of internal control. The approved Internal Audit plan is focused on risk and therefore the Board will need to integrate these results with other sources of assurance when making a rounded assessment of control for the purposes of the Annual Governance Statement. The overall opinion for 2025/26 is:

Reasonable assurance		The Board can take Reasonable Assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.
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1.3 Delivery of the Audit Plan

The plan has been delivered substantially in accordance with the agreed schedule and changes required during the year, as approved by the Audit and Corporate Governance Committee (the 'Audit Committee'). In addition, regular audit progress reports have been submitted to the Audit Committee. We can confirm that we have undertaken sufficient audit work during the year to be able to give an overall opinion in line with the requirements of the Global Internal Audit Standards.

The Internal Audit Plan for 2025/26, was presented to the Audit Committee in May 2025. Changes to the plan have been made during the year and these changes have been reported to the Audit Committee as part of our regular progress reporting.

There are, as in previous years, audits undertaken at NWSSP and DHCW that support the overall opinion for NHS Wales health bodies (see section 3).

Our latest External Quality Assessment (EQA), conducted by the Chartered Institute of Public Finance and Accountancy (CIPFA) in March 2023, reported in April 2023, stated we 'Fully Conform' to the relevant standards. Our own annual Quality Assurance and Improvement Programme (QAIP) confirmed that our internal audit work continues to 'generally conform' to the requirements of the Global Internal Audit Standards (GIAS) for 2025/26. We can state that our service 'conforms to the IIA's professional standards and to GIAS.'

1.4 Summary of Audit Assignments

This report summarises the outcomes from our work undertaken in the year. In some cases, audit work from previous years may also be included and where this is the case, details are given. This report also references assurances received through the internal audit of control systems operated by other NHS Wales organisations (again, see section 3).

The audit coverage in the plan agreed with management has been deliberately focused on key strategic and operational risk areas; the outcome of these audit reviews may therefore highlight control weaknesses that impact on the overall assurance opinion.

Overall, we can provide the following assurances to the Board that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively in the substantial and reasonable areas in the table below.

Where we have identified high priority key matters, management are aware of the specific issues identified and have agreed action plans to improve control in these areas. These planned control improvements should be referenced in the Annual Governance Statement where it is appropriate to do so.

A summary of the audits undertaken in the year and the results are summarised in table 1 below.

Table 1 – Summary of Audits 2025/26

Substantial Assurance	<ul style="list-style-type: none"> • Policies and procedures management • Financial management • NHS Wales performance and improvement hosting arrangements • Cyber security – Governance and risk management • Welsh Risk Pool
Reasonable Assurance	<ul style="list-style-type: none"> • Non-core funding - Health Improvement • Speaking up safely • Workforce – Mental Health support • Corporate risk register effectiveness • Digital audit logging • Patient pathways: DESW and WAAASP [Draft]

	<ul style="list-style-type: none"> Health Protection – Alerting of incidents and outbreaks [Draft]
Limited Assurance	None
Unsatisfactory	None
Advisory/Non-Opinion	None

Please note that our overall opinion has also considered both the number and significance of any audits that have been deferred during the year (see section 5.4) and other information obtained during the year that we deem to be relevant to our work.

2. Head of Internal Audit Opinion

2.1 Roles and Responsibilities

The Board is collectively accountable for maintaining a sound system of internal control that supports the achievement of the organisation’s objectives and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system.

The Annual Governance Statement is a statement made by the Accountable Officer, on behalf of the Board, setting out:

- how the individual responsibilities of the Accountable Officer are discharged with regard to maintaining a sound system of internal control that supports the achievement of policies, aims and objectives;
- the purpose of the system of internal control, as evidenced by a description of the risk management and review processes, including compliance with the Health & Care Quality Standards; and
- the conduct and results of the review of the effectiveness of the system of internal control including any disclosures of significant control failures, together with assurances that actions are or will be taken where appropriate to address issues arising.

The Trust’s risk management process and system of assurance should bring together all the evidence required to support the Annual Governance Statement.

In accordance with the GIAS, the Head of Internal Audit (HIA) is required to provide an annual opinion, based upon and limited to the work performed on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control. This is achieved through an audit plan that has been focussed on key strategic and operational risk areas and known improvement opportunities, agreed with executive management and approved by the Audit Committee, which should provide an appropriate level of assurance.

The opinion does not imply that Internal Audit has reviewed all risks and assurances relating to the Trust. The opinion is substantially derived from the conduct of risk-based audit work formulated around a selection of key organisational systems and risks. As such, it is a key component that the Board considers but is not intended to provide a comprehensive view.

The Board, through the Audit Committee, will need to consider the Head of Internal Audit opinion together with assurances from other sources including reports issued by other review bodies, assurances given by management and other relevant information when forming a rounded picture on governance, risk management and control for completing its Governance Statement.

2.2 Purpose of the Head of Internal Audit Opinion

The purpose of the annual Head of Internal Audit opinion is to contribute to the assurances available to the Accountable Officer and the Board of the Trust which underpin the Board's own assessment of the effectiveness of the organisation's system of internal control.

This opinion will in turn assist the Board in the completion of its Annual Governance Statement and may also be considered by regulators, including Healthcare Inspectorate Wales, in assessing compliance with the Health and Care Quality Standards in Wales, and by Audit Wales in the context of both their external audit and performance reviews.

The overall opinion by the Head of Internal Audit on governance, risk management and control results from the risk-based audit programme and contributes to the picture of assurance available to the Board in reviewing effectiveness and supporting our drive for continuous improvement.

2.3 Assurance Rating System for the Head of Internal Audit Opinion

The overall opinion is based primarily on the outcome of the work undertaken during the 2025/26 audit year. We also consider other information available to us such as our overall knowledge of the organisation, the findings of other assurance providers and inspectors, and the work we undertake at other NHS Wales organisations. The Head of Internal Audit considers the outcomes of the audit work undertaken and exercises professional judgement to arrive at the most appropriate opinion for each organisation.

A quality assurance review process has been applied by the Director of Audit & Assurance and the Head of Internal Audit in the annual reporting process to ensure the overall opinion is consistent with the underlying audit evidence.

We take this approach into account when considering our assessment of our compliance with the requirements of GIAS.

The assurance rating system based upon the colour-coded barometer and applied to individual audit reports remains unchanged. The descriptive narrative used in these definitions has proven effective in giving an objective and consistent measure of assurance in the context of assessed risk and associated control in those areas examined.


This same assurance rating system is applied to the overall Head of Internal Audit opinion on governance, risk management and control as to individual assignment audit reviews. The assurance rating system together with definitions is included at **Appendix B**.

The individual conclusions arising from detailed audits undertaken during the year have been summarised by the assurance ratings received. The aggregation of audit results gives a better picture of assurance to the Board and also provides a rational basis for drawing an overall audit opinion. However, please note that for presentational purposes we have shown the results using the eight areas that were previously used to frame the audit plan at its outset.

2.4 Head of Internal Audit Opinion

Scope of opinion

As noted already, the scope of my opinion covers both those areas examined in the risk-based audit plan which has been agreed with senior management and approved by the Audit Committee, and other information obtained during the year that we deem to be relevant to our work. The Head of Internal Audit assessment should be interpreted in this context when reviewing the effectiveness of the system of internal control and be seen as an internal driver for continuous improvement. The Head of Internal Audit opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management, and control is set out below.

Reasonable assurance		The Board can take Reasonable Assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.
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This opinion will need to be reflected within the Annual Governance Statement along with confirmation of action planned to address the issues raised from reviews. Focus should be placed on the agreed response to any Limited Assurance opinions issued during the year and the significance of the recommendations made.

Basis for Forming the Opinion

The audit work undertaken during 2025/26, and reported to the Audit Committee, has been aggregated at Section 5.

The evidence base upon which the overall opinion is formed is as follows:

- An assessment of the range of individual opinions and outputs arising from risk-based audit assignments contained within the Internal Audit plan that have been reported to the Audit Committee throughout the year. In addition, and where appropriate, work at either draft report stage or in progress but substantially complete has also been considered,

and where this is the case then it is identified in the report. This assessment has taken account of the relative materiality of these areas and the results of any follow-up audits in progressing control improvements.

- The results of any audit work related to the Health & Care Quality Standards including, if appropriate, the evidence available by which the Board has arrived at its declaration in respect of the self-assessment for the leadership standard.
- Other assurance reviews which impact on the Head of Internal Audit opinion including audit work performed at other organisations (see Section 3).
- Other knowledge and information that the Head of Internal Audit has obtained during the year including cumulative information and knowledge over time; observation of Board and other key committee meetings; meetings with the executive team, senior managers and non-executive directors; the results of *ad hoc* work and support provided; liaison with other assurance providers and Inspectors; research; and cumulative audit knowledge of the organisation that the Head of Internal Audit considers relevant to the opinion for this year.

As stated above, these detailed results have been aggregated to build a picture of assurance across the Trust.

In reaching this opinion we have identified that our reviews during the year concluded positively with effective control arrangements operating in a number of areas.

From the opinions issued during the year, five were allocated Substantial Assurance, and seven were allocated Reasonable Assurance. There were no Limited Assurance or Unsatisfactory assurance opinions. There were no audit assignments planned this year which did not proceed to full audit.

A summary of the findings is shown below. We have reported the findings using the eight areas of the Trust's activities that we had previously used to structure our strategic and one-year operational plans.

Corporate Governance, Risk Management and Regulatory Compliance

We have undertaken three reviews in this area.

Policies and procedures management –The core element for a robust governance framework includes well-developed policies and procedures that help inform decisions by providing a structured framework and ensuring the consistent application of rules and procedures across an organisation. Control documents, such as policies and procedures, help to streamline processes, clearly define accountability, reduce ambiguity, and support compliance with regulations and best practice. We issued **substantial assurance** on this area and identified one medium priority finding.

Corporate risk register effectiveness – The Trust has made significant progress in strengthening its risk management arrangements, including the development of a revised risk management policy and the formal adoption of a new risk appetite framework by the Board in July 2025. These developments reflect a commitment to embedding a mature, integrated approach

to risk, one that supports informed decision-making, aligns with strategic priorities and cyclical planning processes, and enables proportionate risk exposure in pursuit of favourable public health outcomes. We have concluded **reasonable assurance** on this area with two medium priority matters identified.

NHS Wales performance and improvement (NHSP&I) – Hosting arrangements - The relationship with NHSP&I is governed by a Hosting Agreement between the Trust and Welsh Government. The responsibilities attributed to both the Trust and NHSP&I are set out in the agreement. The Trust receives regular assurance that NHSP&I are meeting their responsibilities. The reporting regime is further supplemented by an annual Statement of Compliance which is signed by the NHSP&I Responsible Officer and reported to the Trust’s Audit and Corporate Governance Committee, and through quarterly review meetings comprising of representation from the Trust, Welsh Government, and NHSP&I. We concluded **substantial assurance** on this area. We did not identify matters for reporting in our review.

We also undertake a small programme of audits for NHS P&I. These are separate to PHW's annual audit programme and are agreed directly with NHS P&I but, once completed, they are reported through to the PHW Audit Committee Part B.

Strategic Planning, Performance Management & Reporting

We did not plan to undertake any reviews in this area during 2025/26.

Financial Governance and Management

We have undertaken three reviews in this area.

Non-core funding – Health improvement – Non-core funding helps enable NHS bodies to deliver targeted public health programmes that sit outside of core statutory services. This funding supports initiatives such as mental health in schools and healthy lifestyle campaigns. Our review included consideration of the governance, monitoring, and reporting mechanisms to ensure transparency, accountability, and value for money. We also looked at controls to safeguard public funds and enhance the sustainability and impact of the programmes supported. We have concluded **reasonable assurance** on this area. We raised a high priority matter in relation to the impact of non-inflationary funding on the deliverability of the programmes. We also raised two medium priority matters.

Financial management – Directorates within the Trust are assigned a budget holder, who is accountable for managing services within their delegated budget. Directorates develop and monitor spending plans in line with budgetary control procedures, to ensure alignment with the Trust’s financial objectives and statutory requirements. We considered how effectively these responsibilities are discharged within directorates. We concluded **substantial assurance** on this area. We have identified no matters for reporting in our review.

Welsh Risk Pool (WRP) – Compensation claims can take a number of years from the receipt of the claim to settlement and can involve a large number of payments and repayments, which means that mistakes can occur. Welsh Risk Pool Services (WRPS) requires that claims for reimbursement and repayment are made within specific timescales. Following our review of the management of compensation claims with the Trust we issued **substantial assurance** on this area.

Quality & Safety

We have undertaken one review in this area.

Speaking up Safely (SuS) – The Trust adopted the SuS framework in October 2023 and committed to a self-assessment action plan setting out how the framework would be embedded. The Trust has also developed a protocol for the reporting and oversight of SuS, which sets out the processes in place to support effective and successful implementation of the All Wales framework into the Trust’s practices. We assessed how effectively the Trust has implemented the SuS framework, focusing on governance, policy, culture, training, and learning from concerns raised. Our **reasonable assurance** report made one high priority finding in relation to maintaining the SuS concerns actions log and processing concerns in good time. We also made four medium priority findings.

Information Governance & Security

We have undertaken two reviews in this area.

Digital audit logging – Our review considered the controls in place for logging changes to data, in particular for privileged accounts, which provide greater access within digital systems, and of the management and control of audit logs. We concluded **reasonable assurance** on this area. There is a well-defined process for recording and monitoring security related activity, including privileged account management, with security logs passed to an all Wales solution which includes automated reporting and alerting, with security logs protected from misuse. However, we raised three high priority findings as there was no formal process for monitoring user activity within individual applications and no active tracking of privileged user activity within these.

Cyber security – Governance and risk management [Draft] – We issued **substantial assurance** on this area and raised one medium priority finding. Our review focused on management of cyber security related risks and the governance arrangements that enable monitoring, reporting and effective management. We also considered that identified actions to improve cyber security are progressing appropriately.

Operational Service and Functional Management

We have undertaken one review in this area.

Patient pathways: Diabetic Eye Screening Wales (DESW) and Wales Abdominal Aortic Aneurysm Screening Programme (WAAASP) [Draft] – DESW and WAAASP screening are national population-based programmes delivered by the Trust. Both play a critical role in the early detection and prevention of serious health conditions, with significant clinical input required across the screening pathway. Ensuring these pathways are safe, consistent, and patient-centred is essential to delivering high-quality public health services. Our review considered the end-to-end patient pathways for DESW and WAAASP, assessing whether clinical input, governance structures, and operational processes were robust, consistent, and aligned with best practice. We identified five medium priority matters and issued a **reasonable assurance** on this area.

Health Protection – Alerting of incidents and outbreaks [Draft] – The Trust is responsible for managing notifiable communicable diseases in line with Welsh legislation. We looked at the governance, co-ordination, risk management and decision making in relation to the alerts process. We identified two medium priority matters and issued **reasonable assurance** on this area.

Workforce Management

We undertook one review in this area during 2025/26. In addition, the audits of the payroll system and recruitment services provided by NWSSP [**concluded with XXXXXX**] assurance opinion ratings (see Section 3 below).

Workforce – Mental Health support – We issued a **reasonable assurance** opinion on this area and raised three medium priority findings. Our review focused on the effectiveness of arrangements in place to monitor, support, and respond to mental health-related sickness absence. We also considered how well these arrangements aligned with the organisation’s broader commitment to staff wellbeing and the principles set out in the All Wales policy.

Capital & Estates Management

We did not plan to undertake any reviews in this area during 2025/26.

2.5 Approach to Follow Up of Recommendations

As part of our audit work, we consider the progress made in implementing the actions agreed from our previous reports for which we were able to give only Limited Assurance. In addition, where appropriate, we also consider progress made on high and medium priority findings in reports where we were still able to give Reasonable Assurance. We also undertake some testing on the accuracy and effectiveness of the audit recommendation tracker.

In addition, audit committees monitor the progress in implementing recommendations (this is wider than just Internal Audit recommendations) through their own recommendation tracker processes. We attend all audit committee meetings and observe the quality and rigour around these processes.

However, it remains the role of audit committees to consider and agree the adequacy of management responses and the dates for implementation, and any subsequent request for revised dates, proposed by management. Where appropriate, we have adjusted our approach to follow-up work to reflect these challenges.

We have considered the impact of both our follow-up work and where there have been delays to the implementation of recommendations, on both our ability to give an overall opinion (in compliance with the GIAS) and the level of overall assurance that we can give.

The Trust's audit action tracking process continued during 2025/26. As part of our work, we are testing a sample of closed agreed actions to help inform us if the tracking process is operating as expected. At the time of this draft report our testing is ongoing.

2.6 Limitations to the Audit Opinion

Internal control, no matter how well designed and operated, can provide only reasonable and not absolute assurance regarding the achievement of an organisation's objectives. The likelihood of achievement is affected by limitations inherent in all internal control systems.

As mentioned above the scope of the audit opinion is restricted to those areas which were the subject of audit review through the performance of the risk-based Internal Audit plan. In accordance with auditing standards, and with the agreement of senior management and the Board, Internal Audit work is deliberately prioritised according to risk and materiality. Accordingly, the Internal Audit work and reported outcomes will bias towards known weaknesses as a driver to improve governance risk management and control. This context is important in understanding the overall opinion and balancing that across the various assurances which feature in the Annual Governance Statement.

Caution should be exercised when making comparisons with prior years. Audit coverage will vary from year to year based upon risk assessment and cyclical coverage on key control systems.

2.7 Period covered by the Opinion

Internal Audit provides a continuous flow of assurance to the Board and, subject to the key financials and other mandated items being completed in-year, the cut-off point for annual reporting purposes can be set by agreement with management. To enable the Head of Internal Audit opinion to be better aligned with the production of the Annual Governance Statement a pragmatic cut-off point has been applied to Internal Audit work in progress.

By previous agreement with the Trust, audit work reported to draft stage has been included in the overall assessment, with all other work in progress rolled-forward and reported within the overall opinion for next year.

Most audit reviews will relate to the systems and processes in operation during 2025/26 unless otherwise stated and reflect the condition of internal controls pertaining at the point of audit assessment.

Follow-up work will provide an assessment of action taken by management on recommendations made in prior periods and will therefore provide a limited scope update on the current condition of control and a measure of direction of travel.

There are some specific assurance reviews which remain relevant to the reporting of the organisation's Annual Report required to be published after the year end. Where required, any specified assurance work would be aligned with the timeline for production of the Trust's Annual Report and accordingly will be completed and reported to management and the Audit Committee after this Head of Internal Audit Opinion. However, the Head of Internal Audit's assessment of arrangements in these areas would be legitimately informed by drawing on the assurance work completed as part of this current year's plan.

2.8 Required Work

Please note that following discussions with Welsh Government we were not mandated to audit any areas in 2025/26.

2.9 Statement of Conformance

The Welsh Government determined that the Global Internal Audit Standards (GIAS) would apply across the NHS in Wales from 1 April 2025.

The provision of professional quality Internal Audit is a fundamental aim of our service delivery methodology and compliance with GIAS is central to our audit approach. Quality is controlled by the Head of Internal Audit on an ongoing basis and monitored by the Director of Audit & Assurance. In addition, at least once every five years, we are required to have an External Quality Assessment. This was undertaken by the Chartered Institute of Public Finance and Accountancy (CIPFA) in March 2023, reported in April 2023 stated who concluded we 'Fully Conform' with the relevant standards.

The NWSSP Audit and Assurance Services can assure the Audit Committee that it has conducted its audit at the Trust in conformance with the Global Internal Audit Standards for 2025/26.

Our conformance statement for 2025/26 is based upon:

- the results of our internal Quality Assurance and Improvement Programme (QAIP) for 2025/26 which will be reported formally in the Summer of 2026; and
- The results of the External Quality Assessment.

We have set out, in **Appendix A**, the key requirements of the Global Internal Audit Standards and our assessment of conformance against these requirements. The full results and actions from our QAIP will be included in the 2025/26 QAIP report. There are no significant matters arising that need to be reported in this document.

We also note that there have been no impairments to the independence of the Head of Internal Audit or to any other members of NWSSP's Audit & Assurance Service who undertook work on the Trust's audit programme for 2025/26.

The Head of Internal Audit has unfettered access to the Chief Executive, Chair of the Audit Committee and Chair of the Trust.

2.10 Completion of the Annual Governance Statement

While the overall Internal Audit opinion will inform the review of effectiveness for the Annual Governance Statement, the Accountable Officer and the Board need to consider other assurances and risks when preparing their Statement. These sources of assurances will have been identified within the Board's own performance management and assurance framework and will include, but are not limited to:

- direct assurances from management on the operation of internal controls through the upward chain of accountability;
- internally assessed performance against the Health & Care Quality Standards;
- results of internal compliance functions including Local Counter-Fraud, Post Payment Verification, and risk management;
- reported compliance via the Welsh Risk Pool regarding claims standards and other specialty specific standards reviewed during the period; and
- reviews completed by external regulation and inspection bodies including Audit Wales, Healthcare Inspectorate Wales and Health and Safety Executive.

3. Other work relevant to the Trust

As our internal audit work covers all NHS Wales organisations there are a number of audits that we undertake each year which, while undertaken formally as part of a particular health organisation's audit programme, will cover activities relating to other health bodies. These are set out below, with relevant comments and opinions attached, and relate to work at:

- NHS Wales Shared Services Partnership; and
- Digital Health & Care Wales.

NHS Wales Shared Services Partnership (NWSSP)

As part of the internal audit programme at NHS Wales Shared Services Partnership (NWSSP), a hosted body of Velindre University NHS Trust, a number of audits were undertaken which are relevant to the Trust. These audits of the financial systems operated by NWSSP, processing transactions on behalf of the Trust, derived the following opinion ratings:

Audit	Opinion	Outline scope
Accounts Payable	[xxx]	TBC
Payroll	[xxxx]	TBC
Recruitment services	[xxxxx]	TBC

Please note that other audits of NWSSP activities are undertaken as part of the overall NWSSP internal audit programme. All audits in this programme are reported to the Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership. The overall Head of Internal Audit Opinion for NWSSP is [xxx] Assurance.

Digital Health & Care Wales (DHCW)

As part of the internal audit programme at DHCW, a Special Health Authority that started operating from 1 April 2021, a number of audits were undertaken which are relevant to the Trust. These audits derived the following opinion ratings:

Audit	Opinion	Outline scope
Programme management	Reasonable	To provide assurance over the timely rollout of a sample of digital programmes / projects across Wales and steps taking place to overcome obstacles, challenges and manage the delivery of benefits.
Cyber security	Reasonable	To assess the governance process for cyber security, associated risk statements and the management and delivery of improvement plans.
GMA clinical system migration project	Reasonable	To assess the management and delivery of the GMS clinical system migration project.
CaNISC	Reasonable	To ensure the risks associated with the withdrawal / replacement of the Cancer Network Information System Cymru (CaNISC) are appropriately managed.

Please note that other audits of DHCW activities are undertaken as part of the overall DHCW internal audit programme. The overall Head of Internal Audit Opinion for DHCW is Reasonable Assurance.

While these audits do not form part of the annual plan for the Trust, they are listed here for completeness as they do impact on the organisation's activities. The Head of Internal Audit has considered if any issues raised in the audits could impact on the content of our annual report and concluded that there are no matters of this nature.

Full details of the NWSSP audits are included in the NWSSP Head of Internal Audit Opinion and Annual Report and are summarised in the Velindre NHS Trust Head of Internal Audit Opinion and Annual Report. DHCW audits are summarised in the DHCW Head of Internal Audit Opinion and Annual Report.

4. Delivery of the Internal Audit Plan

4.1 Performance against the Audit Plan

The Internal Audit Plan has been delivered substantially in accordance with the schedule agreed with the Audit Committee, subject to changes agreed as the year progressed. Regular audit progress reports have been submitted to the Audit Committee during the year.

The audit plan approved by the Committee in May 2025 contained twelve (12) planned reviews. The assignment status summary is reported at section 5.

In addition, we may respond to requests for advice and/or assistance across a variety of business areas across the Trust. This advisory work, undertaken in addition to the assurance plan, is permitted under the standards to assist management in improving governance, risk management and control. This activity is reported during the year within our progress reports to the Audit Committee.

4.2 Service Performance Indicators

In order to monitor aspects of the service delivered by Internal Audit, a range of service performance indicators have been developed.

Indicator Reported to Audit Committee	Status	Actual	Target	Red	Amber	Green
Operational Audit Plan agreed for 2025/26	G	May 2025	By 30 June	Not agreed	Draft plan	Final plan
Total assignments reported against adjusted plan for 2025/26	G	100% (12/12)	100%	v>20%	10%<v≤20%	v≤10%
Report turnaround: time from fieldwork completion to draft reporting [10 working days]	G	12/12 100%	80%	v>20%	10%<v≤20%	v≤10%
Report turnaround: time taken for management response to discussion & draft report [15 working days]	G	9/10 90%	80%	v>20%	10%<v≤20%	v≤10%
Report turnaround: time from management response to issue of final report [10 working days]	G	10/10 100%	80%	v>20%	10%<v≤20%	v≤10%

Key: v = percentage variance from target performance

5. Risk based audit assignments

The overall opinion provided in Section 1 and our conclusions on individual reviews is limited to the scope and objectives of the reviews we have undertaken, detailed information on which has been provided within the individual audit reports.

5.1 Overall summary of results

In total 12 audit reviews were reported during the year. Figure 1 below presents the assurance ratings, and the number of audits derived for each.

Figure 1 Summary of audit ratings

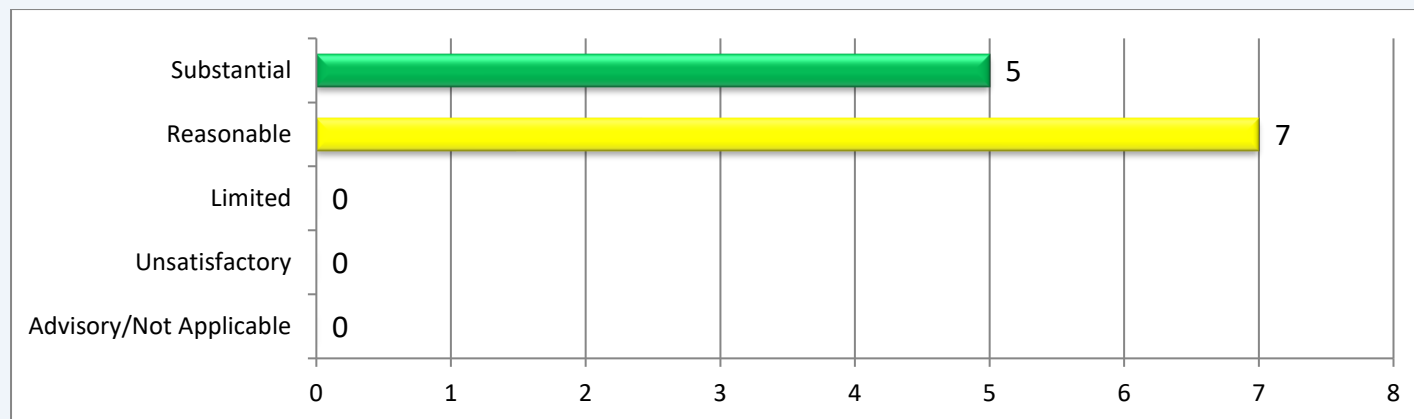


Figure 1 above does not include the audit ratings for the reviews undertaken at NWSSP or DHCW.

The assurance ratings and definitions used for reporting audit assignments are included in **Appendix B**.

The following sections provide a summary of the scope and objective for each assignment undertaken within the year along with the assurance rating.

5.2 Substantial Assurance (Dark Green)



In the following review areas, the Board can take **substantial assurance** that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively. Those few matters that may require attention are compliance or advisory in nature with low impact on residual risk exposure.

Review Title	Objective
Policies and procedures management	To consider the governance and control arrangements for the management of policies and procedures.
Financial management	To consider monthly spending plans across a sample of directorates.
NHS Wales Performance and Improvement hosting arrangements	To consider the governance that the Trust has developed in relation to its hosted body arrangements with the NHS Wales Performance and Improvement.

Review Title	Objective
Welsh Risk Pool (WRP)	WRP guidance requires Internal Audit input into the process for assurance.
Cyber security – Governance and risk management	To consider cyber security within the Trust.

5.3 Reasonable Assurance (Light Green)



In the following review areas, the Board can take **reasonable assurance** that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively. Some matters require management attention in either control design or operational compliance and these will have low to moderate impact on residual risk exposure until resolved.

Review Title	Objective
Non-core funding – Health Improvement	To review the arrangements the Trust has in place in relation to the management of non-core funding for Health Improvement.
Speaking up Safely (SuS)	To consider governance and control arrangements following embedding of SuS.
Workforce – Mental Health support	To consider control, governance in relation to mental health support.
Corporate risk register effectiveness	To focus on control and governance in relation to the corporate risk register.
Digital Audit logging	To consider the controls in place for logging of changes to data, in particular for privileged accounts, and of the management and control of audit logs.
Patient pathways in screening services [Draft]	To consider the pathways process for screening programmes with significant clinical input from the Trust (DESW and WAAASP).
Health Protection – Alerting of incidents and outbreaks [Draft]	To consider the process for the sharing and dissemination of information relating to health protection outbreaks and incidents to system partners, such as health boards and local authorities.

6. Acknowledgement

In closing I would like to acknowledge the time and co-operation given by directors and staff of the Trust to support delivery of the Internal Audit assignments undertaken within the 2025/26 plan.

Paul Dalton

Pennaeth yr Archwiliad Mewnol/Head of Internal Audit

Gwasanaethau Archwilio a Sicrwydd/Audit and Assurance Services

Partneriaeth Cydwasanaethau GIG Cymru/NHS Wales Shared Services Partnership

May 2026

Appendix A

Internal Audit compliance with the Global Internal Audit Standards and the UK Public Sector Practice Note






Global Internal Audit Standards – Domains, Principles & Standards	Requirements & Response
Domain I: Purpose of Internal Auditing	<p>Internal auditing strengthens the organisation’s ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.</p> <p>Advice and assurance are provided primarily through a risk-based audit plan approved and monitored by the Audit Committee. Audit & Assurance uses the results of its audits, together with focused research, to provide insight and foresight.</p>
<p>Domain II: Ethics & Professionalism</p> <p>Principles 1 (Demonstrate Integrity), 2 (Maintain Objectivity), 3 (Demonstrate Competency), 4 (Exercise Due Professional Care), and 5 (Maintain Confidentiality). 13 individual standards.</p>	<p>Audit & Assurance has established processes for dealing with both the ethics and professionalism of Internal Audit and the need to maintain client confidentiality. This encompasses training, declarations of interest returns, our audit processes, and the requirements (where appropriate) of professional accounting and audit bodies.</p>
<p>Domain III: Governing the Internal Audit Function</p> <p>Principles 6 (Authorised by the Board), 7 (Positioned Independently), and 8 (Overseen by the Board). 9 individual standards.</p>	<p>How we interact and work with each NHS Wales organisation is set out in the Internal Audit Mandate and Charter which is updated annually. There are appropriate arrangements in place for Internal Audit to act independently and interact with the Board to ensure effective governance arrangements.</p>

<p>Domain IV: Manging the Internal Audit Function</p> <p>Principles 9 (Plan Strategically), 10 (Manage Resources), 11 (Communicate Effectively), and 12 (Enhance Quality). 16 individual standards.</p>	<p>The Internal Audit function for NHS Wales is managed through the NHS Wales Shared Services Partnership (NWSSP). The Audit & Assurance service delivery plan forms part of the NWSSP integrated medium term plan.</p> <p>A risk based strategic and annual plan is developed for each NHS Wales organisation. The annual plan gives detail of specific assignments and sets out the overall resource requirement. The audit strategy and annual plan is approved by the Audit Committee.</p> <p>Quality assurance and control arrangements are in place and are subject to an external assessment at least once every five years.</p> <p>Policies and procedures which guide the Internal Audit activity are in place. There is structured liaison with Audit Wales, HIW and Counter Fraud.</p>
<p>Domain V: Performing Internal Audit Services</p> <p>Principles 13 (Plan Engagements Effectively), 14 (Conduct Engagement Work), and 15 (Communicate Engagement Results and Monitor Action Plans). 14 individual standards.</p>	<p>Audit & Assurance has a Quality Manual that sets out how we will conduct and monitor audit engagements and this is then replicated in our Electronic Working Paper system (ESRA) and other files.</p> <p>This ensures that we meet the requirements to plan, conduct and communicate audit engagement appropriately and follow-up management actions.</p>

[Global Internal Audit Standards](#)
[UK Public Sector Application Note](#)

Appendix B

Assurance Opinion

	Substantial	Few matters require attention and are compliance or advisory in nature. Low impact on residual risk exposure.
	Reasonable	Some matters require management attention in control design or compliance. Low to moderate impact on residual risk exposure until resolved.
	Limited	More significant matters require management attention. Moderate impact on residual risk exposure until resolved.
	Unsatisfactory	Action is required to address the whole control framework in this area. High impact on residual risk exposure until resolved.
	Advisory	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Disclaimer

This audit report has been prepared for internal use only. Audit and Assurance Services reports are prepared, in accordance with the agreed audit brief, and the Audit Charter as approved by the Audit Committee.

Audit reports are prepared by the staff of the NHS Wales Audit and Assurance Services and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of the Public Health Wales NHS Trust and no responsibility is taken by the Audit and Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.

The report is based on the review work undertaken and is not necessarily a complete statement of all weaknesses that exist or potential improvements. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, no complete guarantee or warranty can be given with regard to the advice and information contained.

Our work does not provide absolute assurance that material errors, loss or fraud do not exist. Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management of the Public Health Wales NHS Trust. Work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, or all circumstances of fraud or irregularity. Effective and timely implementation of recommendations is important for the development and maintenance of a reliable internal control system.

Prioritisation of Findings

Priority	Explanation
High	Significant risk to achievement of a system objective OR evidence present of material loss, error, or misstatement. Poor system design OR widespread non-compliance.
Medium	Some risk to achievement of a system objective. Minor weakness in system design OR limited non-compliance.

Website: [Audit & Assurance Services - NHS Wales Shared Services Partnership](#)

Public Sector Internal Audit Standards

Audit work undertaken by NHS Wales Audit and Assurance Services conforms with the International Standards for the Professional Practice of Internal Auditing and associated Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Chartered Institute of Public Finance & Accountancy in April 2023.

