

Head of Internal Audit Opinion 2025/2026

Briefing Paper
June 2026

Swansea Bay University Health Board

1. Introduction and Background

At the end of each audit year, the Head of Internal Audit (HIA) is required to provide an Opinion and Annual Report. The purpose of the annual opinion is to contribute to the assurances available to the Chief Executive, as Accountable Officer, and to the Board, which underpin the Board's assessment of the effectiveness of the system of internal control.


The HIA Opinion provides an independent view on the adequacy and effectiveness of the organisation's arrangements for governance, risk management and internal control.

The Annual Report sets out the HIA Opinion together with a summary of the internal audit work performed during the year.

A quality assurance process has been applied by the Director of Audit & Assurance and the Head of Internal Audit to ensure that the opinion is supported by, and consistent with, the underlying audit evidence.

This briefing paper sets out the rationale for the proposed opinion for 2025/26. At the time of producing the Annual Report, two audits remain in progress and the assurance ratings had not yet been determined. It is anticipated that the majority of this work will be sufficiently progressed to inform the final Annual Report.

2. Head of Internal Audit Opinion 2025/26

<p>Reasonable assurance</p>		<p>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.</p>
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3. Development of Opinion and Rationale

The Head of Internal Audit is derived from the risk-based programme of work delivered the year and reflects:

- the distribution and of assurance opinions;
- the significance and thematic nature of findings;
- the maturity and consistency of governance, risk management and control arrangements; and
- progress in implementing agreed management actions.

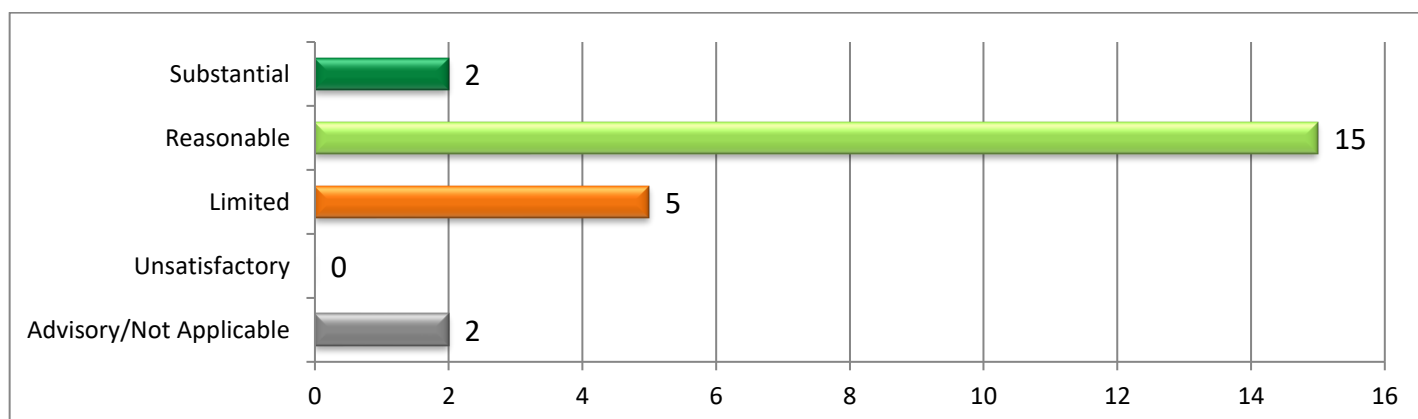
In forming the Opinion, we have also considered:

- comparison of outcomes across years;
- the nature and significance of areas receiving limited assurance;

- progress identified through follow-up work;
- other relevant assurance sources and regulatory context; and
- the impact of changes to the audit plan.

Overall Assurance Profile

This assurance profile for 2025/26 shows that the majority of audit work resulted in reasonable or substantial assurance, with a smaller number of targeted limited assurance opinions.



There has been a reduction in the proportion of limited assurance opinions compared to 2024/25, alongside an increase in reasonable and substantial assurance outcomes. This represents a positive shift in the overall assurance position (See tables 1 and 2 within the appendix).

Key Factors Informing the Opinion

1. Majority of Reasonable Assurance Outcomes

Most audits concluded with reasonable assurance, supported by two substantial assurance opinions. This indicates that core frameworks and control arrangements are in place and generally operating effectively across the organisation.

This represents an improvement compared to the prior year, where a higher proportion of audits resulted in limited assurance (See tables 1 and 2 within the appendix).

2. Limited Assurance in Specific, Targeted Areas

A small number of reviews resulted in **limited assurance**, including:

- Morriston Service Group Governance
- Escalation Status Action
- Annual Plan Delivery
- Urgent and Emergency Care Governance
- Strategic Equity Plan

These findings highlight specific areas where governance, oversight and accountability arrangements are not yet sufficiently mature or consistently applied (See table 3 within the appendix).

However, these issues are targeted rather than systemic and do not indicate a pervasive breakdown in control.

3. Strong Frameworks with Variable Implementation

A consistent theme across the audit work is that:

- governance frameworks and organisational structures are generally well designed, particularly at corporate level, with evidence of oversight, reporting and proactive action in response to risks and performance issues; and
- variation remains in implementation and effectiveness at operational level, particularly within Service Groups and across organisational interfaces.

This reflects a recurring pattern where arrangements are designed appropriately but not yet fully embedded or consistently applied in practice. In some areas, this position is being supported by targeted external input (e.g. Deloitte), which is contributing to strengthening financial planning and governance processes; however, further work is required to ensure that improvements are embedded sustainably across the organisation.

4. Governance, Oversight and Accountability

A number of reviews identified consistent themes requiring organisational focus, including:

- strengthening governance clarity, accountability and oversight in key operational areas, including service group governance and urgent and emergency care;
- strengthening performance monitoring, reporting and delivery oversight, particularly in relation to strategic planning and escalation arrangements;
- improving the consistency of implementation and compliance with established processes across service areas;
- strengthening the quality, consistency and use of information, documentation and audit trails to support effective assurance and decision-making; and
- further developing risk management and assurance frameworks, including improving action planning, tracking and alignment to organisational objectives.

These themes were evident across multiple reviews and represent priority areas to support improved effectiveness and consistency of delivery.

5. Performance Management and Delivery Oversight

Weaknesses were identified in:

- performance monitoring frameworks
- tracking of delivery of plans and improvement actions; and
- visibility of progress and impact at Executive and Board level

These issues were a contributing factor of the limited assurance outcomes in strategic planning and escalation management. External support has been commissioned in response to these challenges, particularly in relation to financial recovery and savings delivery, which is supporting improvements in planning, monitoring and oversight arrangements.

6. Risk Management and Assurance Frameworks

Risk management arrangements are improving, with refreshed frameworks now in place. However, further work is required to:

- fully embed the Board Assurance Framework;
- strengthen alignment between risks, controls and assurance; and
- improve the quality and tracking of associated actions.

7. Areas of Positive Assurance

Strong and improving arrangements were identified in a number of areas, including:

- clinical governance and patient safety processes;
- digital and information governance (including substantial assurance opinions);
- workforce management; and
- capital programme delivery and major projects;

These provide a solid foundation of control and assurance across key organisational priorities (see table 2 in appendix).

In addition, external support commissioned during the year (including Deloitte) has contributed to strengthening financial governance and planning arrangements in response to identified challenges.

8. Risk-Based Audit Approach

The audit plan is explicitly risk-based and includes:

- areas identified by the Health Board as key risks or priority concerns; and
- system-wide and operational areas where assurance was most needed.

As such, the presence of limited assurance opinions reflects targeted work in higher-risk areas, rather than deterioration across the overall control environment.

9. Changes to the Audit Plan

A small number of audits were deferred, refined or did not proceed. These changes:

- were reported to and approved by the Audit Committee;
- reflected overlap with other reviews or evolving organisational priorities; and
- have been considered in forming the overall opinion.

These changes are not considered to have materially impacted the overall assurance position (see table 4 in appendix).

10. Follow-Up and Implementation of Recommendations

Arrangements for tracking audit recommendations remain established and generally effective.

- progress in implementation is broadly comparable with other NHS Wales bodies.
- this is despite an increase in overdue actions was noted during 2025/26, largely attributable to a backlog in verification of supporting evidence due to capacity pressures.

- this is considered a timeliness issue rather than a systemic control weakness, with actions in place to address it.

The introduction of the Audit Management and Tracking (AMaT) system is expected to strengthen arrangements further.

Independent validation testing confirmed that sampled completed actions were appropriately classified, providing additional assurance over the reliability of the tracking process.

11. Wider Assurance Landscape

The opinion takes account of:

- audit work undertaken at other NHS Wales bodies (e.g. NWSSP, DHCW, JCC);
- liaison with other assurance providers; and
- the Health Board's broader regulatory and escalation context.

It also takes account of external review activity undertaken during the year, including work commissioned from Deloitte to support financial recovery, planning and savings delivery. This has provided additional capacity, challenge and expertise across key financial processes. Internal audit findings recognise that this support is contributing to improving arrangements; however, continued focus is required to ensure that underlying capability, ownership and processes are strengthened and embedded on a sustainable basis.

No additional issues have been identified that materially impact the overall opinion.

4. Overall Conclusion

Audit work undertaken during 2025/26 demonstrates that:

- appropriate governance, risk management and control frameworks are in place;
- these arrangements are generally operating effectively;
- however, there is variation in maturity and consistency of implementation, particularly within operational governance, performance oversight and delivery arrangements.

While a number of limited assurance areas have been identified, these are targeted and localised, and do not outweigh the broader base of reasonable and substantial assurance across the organisation.

Taken together, the evidence supports an overall opinion of Reasonable Assurance, representing an improvement in the assurance position compared to 2024/25.

Appendices: Supporting Analysis and Evidence

Table 1: Summary of Internal Audit Assurance Opinions

This table summarises the distribution of internal audit assurance opinions over the past five years. It provides context for the 2025/26 opinion by illustrating trends in assurance outcomes and the overall direction of travel in the Health Board’s control environment.

Year	Substantial		Reasonable		Limited		Unsatisfactory		Advisory		Total	Overall Opinion
2025/26	2	8%	15	63%	5	21%	0	0%	2	8%	24	Reasonable
2024/25	1	4%	16	59%	9	33%	0	0%	1	4%	27	Limited
2023/24	1	4%	18	72%	6	24%	0	0%	0	0%	25	Reasonable
2022/23	3	10%	17	59%	7	24%	0	0%	2	7%	29	Reasonable
2021/22	2	7%	18	64%	5	18%	0	0%	3	11%	28	Reasonable
2020/21	5	16%	12	37%	5	16%	0	0%	10	31%	32	Reasonable

Table 2: Summary of Internal Audit Work and Assurance Ratings 2025/26

This table provides a breakdown of all internal audit reviews completed during 2025/26 by assurance level. It demonstrates the breadth of audit coverage across key organisational risks and highlights the balance of assurance outcomes underpinning the overall opinion.

Substantial Assurance	<ul style="list-style-type: none"> • Benefits Realisation: Digital Programmes • Management of the Delivery of National Digital Systems
Reasonable Assurance	<ul style="list-style-type: none"> • Risk Management and Board Assurance Framework • Budget Setting • Patient Experience • Management of National Reportable Incidents • Controlled Drugs • National Safety Standards for Invasive Procedures (NatSSIPs) and Local Safety Standards for Invasive Surgical Procedures (LocSSIPs) (draft) • Access to Primary Care: Community Pharmacy • Theatres Utilisation • Vaccination and Immunisation • Health Records Migration • Staff Retention • Medical Study Leave • Estates Assurance: Asbestos Management • Morriston Hospital Theatre 7 / Burns Intensive Care Unit (post completion review) (draft)

	<ul style="list-style-type: none"> Singleton Hospital PET (positron emission tomography) and CT (computerised tomography) Scanning (draft)
Limited Assurance	<ul style="list-style-type: none"> Morrison Service Group Governance Arrangements Escalation Status Action Annual Plan and Integrated Medium-Term Plan Delivery Urgent and Emergency Care: Delivery Governance Strategic Equity Plan (deferred from 2024/25)
Unsatisfactory	None
Advisory / Non-Opinion	<ul style="list-style-type: none"> Hywel Dda University Health Board and Swansea Bay University Health Board Regional Joint Committee Governance Arrangements (Advisory) Follow Up of Internal Audit Recommendations (Not rated) (draft)
Work in progress	<ul style="list-style-type: none"> Medical Variable Pay Capital Assurance: Capital Systems - Selection, Appointment and Contractual Arrangements (deferred from 2024/25)

Table 3: Limited Assurance Reviews – Summary and Impact on Overall Opinion

This table summarises the audits resulting in limited assurance during 2025/26, including key themes and an assessment of their relative impact on the overall opinion. These reviews have informed the judgement that weaknesses are significant but targeted, rather than indicative of systemic failure.

	AUDIT	RATING	NOTES	Assessment (High, Medium, Low)
1	Morrison Service Group Governance Arrangements	Limited	Significant weaknesses in governance design and operation, including absence of a functioning Service Group Management Board, lack of formal decision-making processes, and gaps in reporting, oversight and accountability across key areas (performance, workforce, quality and risk).	H
2	Escalation Status Action	Limited	Weaknesses in governance, accountability and oversight arrangements, including lack of clear ownership, defined processes and a consolidated improvement plan. Targeted Intervention structures were	H

			stood down without Board oversight and reporting is inconsistent, limiting assurance over delivery of escalation actions.	
3	Annual Plan and Integrated Medium-Term Plan Delivery	Limited	Weaknesses in performance monitoring, reporting and oversight of delivery. Changes to monitoring arrangements have reduced visibility of progress, and governance arrangements are not yet fully established or operating effectively to support scrutiny and assurance.	H
4	Urgent and Emergency Care: Delivery Governance	Limited	Governance arrangements across organisational and partnership boundaries are not sufficiently developed to support effective decision-making and delivery. Weaknesses identified in governance clarity, escalation processes and defined accountability limit effective oversight and coordination.	H/M
5	Strategic Equity Plan	Limited	Weaknesses in implementation planning, governance and oversight. Action plans are not sufficiently developed or aligned, and monitoring and reporting arrangements are not yet robust enough to provide assurance over delivery	M

Table 4: Changes to the Audit Plan – Deferred or Amended Reviews

This table summarises audits that were deferred, amended or not undertaken during the year. These changes were agreed through governance processes and have been considered in forming the overall opinion. The overall impact is assessed as low, given alternative assurance coverage and the risk-based nature of the audit plan

Review Title	Reason Not Undertaken / Scope Change	Impact on Opinion
Children and Young People Services (CYP)	Deferred at the request of management to allow time for improvements in planning, governance, performance assurance and coordination, and to reflect evolving regional partnership arrangements.	Low/Moderate – mitigated through alternative audit coverage.
Clinical Services	Initially planned as a replacement for CYP; subsequently deferred due to	Low/Moderate – reduced impact as strategic planning

Strategic Plan (CSSP)	timetable changes and delays in plan development.	and delivery were covered through other audits.
Digital Operating Model and Board Awareness	Deferred due to overlap with Audit Wales' review of digital transformation, covering strategy, leadership, capability and risk management.	Low – minimal impact due to assurance obtained from external review activity.
Neath Port Talbot DGH PFI Follow-Up Review	Deferred following improved assurance in 2024/25 (from Limited to Reasonable), reflecting reduced risk.	Low – improvement in prior year assurance reduces risk exposure.
Access to Primary Care: Dental	Scope amended and replaced with a review of Community Pharmacy due to the ongoing national dental contract consultation.	Low – audit coverage maintained through alternative review providing relevant assurance.



Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Institute of Internal Auditors

Acknowledgement

NHS Wales Audit and Assurance Services would like to acknowledge the time and co-operation given by management and staff during this review.

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