

# Hosting Agreement

## Internal Audit Report

2025/26

### NHS Wales Performance and Improvement



Reasonable Assurance

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#### Review Reference

NHP-2526-02

#### Fieldwork

September 2025

#### Executive Sign Off

October 2025

#### Audit Committee

December 2025

#### Executive Lead

Claire Green, National Director

#### Audit Team

Paul Dalton, Head of Internal Audit

Emma Samways, Deputy Head of Internal Audit

# Executive Summary

## Purpose

The review considered how NHS Wales Performance and Improvement (NHSP&I) was meeting its thematic responsibilities under the hosting arrangement established between the Public Health Wales NHS Trust (the Trust) and NHSP&I.

## Overview

Given that NHSP&I is still a relatively new organisation, and that a Managing Director is only now being appointed, it has made good progress implementing systems and procedures for the responsibilities assigned to it in the Hosting Agreement and introducing performance and governance frameworks to monitor and oversee performance and compliance. Standard and regular reports are produced to measure performance, and these are reviewed internally and jointly with both the Trust and the Welsh Government. Governance frameworks have been established which operate throughout different layers of management within NHSP&I and which promote information sharing, development of more junior management, and thereby succession planning. Meetings are held jointly with Welsh Government, and NHSP&I attend three of the main Trust Board committees to update on aspects of performance and compliance with specific elements of the Hosting Agreement. Meetings are formally minuted and forward work plans are in place to ensure that all the required subjects are covered. Individual directors sign an annual compliance statement which both replicates and supports the statement signed by the Responsible Officer to confirm overall compliance with the Hosting Agreement.

We have concluded reasonable assurance on this area. The matters requiring management attention are:

- There are several areas of thematic responsibility for NHSP&I that require further development. Management are fully aware of what more is required and there is good reason as to why these areas are not yet fully developed and embedded.
- Our review of meeting agendas and papers highlighted that there is no formal record of declarations of interest requested at the start of meetings and action logs are not being fully and promptly completed.

Full details of matters arising are detailed within the Findings & Agreed Action Plan. We identified the following opportunity for enhancement that does not impact the overall opinion and is highlighted for management information:

- Reference is made in the Hosting Agreement and in supporting reports to the NHS Internal Audit Standards. These should be replaced with the Global Internal Audit Standards that came into effect at the start of 2025.

## Scope & Assurance Summary

Objectives	The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.	Related Findings	Assurance
1	NHSP&I has established processes to meet its thematic responsibilities that are identified in the hosting agreement.	1	<b>Reasonable</b>
2	There is appropriate delegated ownership of the key thematic responsibilities of NHSP&I.	-	<b>Substantial</b>
3	Where appropriate, monitoring and reporting arrangements have been established.	-	<b>Substantial</b>
4	There are arrangements in place to periodically review the hosting agreement and a process for approval of any changes or updates.	-	<b>Substantial</b>
5	NHSP&I has established governance arrangements to oversee compliance with the hosting agreement.	2	<b>Reasonable</b>

## Management Actions

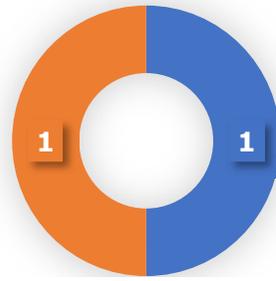


High Priority



Medium Priority

## Themes



■ Governance

■ Policies & Procedures

## Risk Types

Legal & Regulatory Non-Compliance

Choose an item.

Choose an item.

Choose an item.

# Monitoring and Reporting Arrangements for Hosting Agreement

Subject	Assurance required	Frequency of reporting	NHSP&I lead	Trust contact	Assurance Reporting to the Trust
<b>Risk Management</b> (NHS Exec to maintain their own risk registers and share with WG)	As per ACGC template for NHS Executive	Quarterly	Business Lead	Executive Director of QNAPS	ACGC
<b>Audit Activity</b>	As per ACGC template for NHS Executive	Quarterly	Business Lead	Executive Director of Ops and Finance / Board Secretary	
<b>Counter Fraud</b>	As per ACGC template for NHS Executive	Quarterly	C Green (RO)	Executive Director of Ops and Finance	
<b>Declarations Registers</b> /	As per ACGC template for NHS Executive	Quarterly	Business Lead	Board Secretary	
<b>Information Governance</b>	As per ACGC template for NHS Executive	Quarterly	S Lewis (DTIV)	SIRO	
<b>Business Continuity</b>	As per ACGC template for NHS Executive	Quarterly	C Green (RO)	Board Secretary	
<b>Agreements Register</b>	As per ACGC template for NHS Executive	Quarterly	Business Lead	Board Secretary	
<b>NHS Executive RO Annual Compliance Statement</b>	As per agreed Compliance Statement under the Hosting Agreement – Covering:  Finance, Estates, Corporate Gov, Hosting Gov, Legal Duties Compliance, Emergency Planning, Professional Registrations etc.	Annually	C Green (RO)	Executive Director of Ops and Finance / Board Secretary	ACGC & QSIC
<b>Health and Safety (H&amp;S)</b>	As per QSIC template for NHS Executive	Quarterly	Business Lead	Executive Director of QNAPS	QSIC

<b>National Reportable Incidents</b>	As per QSIC template for NHS Executive	Quarterly	G Lee (P&A)	Executive Director of QNAPS	
<b>Complaints (inc PTR)</b>	As per QSIC template for NHS Executive	Quarterly	Business Lead	Executive Director of QNAPS	
<b>Claims</b>	As per QSIC template for NHS Executive	Quarterly	Business Lead	Executive Director of QNAPS	
<b>Datix compliance</b>	As per QSIC template for NHS Executive	Quarterly	Business Lead	Executive Director of QNAPS	
<b>Safeguarding</b>	As per QSIC template for NHS Executive	Quarterly	Clinical Director??	Executive Director of QNAPS	
<b>Raising Concerns / Speaking up Safely</b>	As per PODC template for NHS Executive	Bi-annually	Business Lead	Director of People and OD / Board Secretary	PODC
<b>Equality, Diversity and Inclusion</b>	As per PODC template for NHS Executive	Bi-annually	Business Lead	Director of People and OD	
<b>Welsh Language</b>	As per PODC template for NHS Executive	Bi-annually	Business Lead	Director of People and OD	
<b>Workforce Planning</b>	As per PODC template for NHS Executive	Bi-annually	DD POD	Director of People and OD	
<b>Grievances</b>	As per PODC template for NHS Executive	Bi-annually	DD POD	Director of People and OD	

# Findings & Agreed Action Plan

**Objective 1:** NHSP&I has established processes to meet its thematic responsibilities that are identified in the hosting agreement.

**Reasonable**

## Overview / Summary of Observations

As a relatively new organisation, NHS P&I have made significant progress in many of the areas over which they have direct responsibility under the wording of the Hosting Agreement. Procedures to ensure compliance with stated policies and procedures are particularly robust. There are however a number of areas where NHS P&I know that there is more to do (e.g. Professional Accountability, Estates Strategy, Staffing Structures, Organisational Development Programme, Induction Programme, Business Continuity), but plans are in place to progress these areas and delays are often the result of awaiting approval from Welsh Government and/or the appointment of the Managing Director.

Key Findings	Risk & Impact	Agreed Management Action
<p>1 Thematic Responsibilities</p> <p>There are several areas where further development and embedding of procedures to deliver the responsibilities assigned to NHSP&amp;I in the Hosting Agreement are required. NHS P&amp;I are aware of the areas requiring further development and there has been good reason as to why they are not yet fully implemented and operationally embedded. Management anticipate that the appointment of a Managing Director will help to accelerate the pace of implementation of these areas.</p>	<p>That the NHSP&amp;I fails to fulfil its duties under the terms of the Hosting Agreement with Welsh Government and the Trust and suffers reputational damage as a consequence.</p>	<p><b>Agreed Action:</b></p> <p>Plans are already in train and/or in place to ensure that all responsibilities assigned to NHSP&amp;I in the Hosting Agreement are fully met.</p> <p><b>Expected Evidence of Implementation:</b></p> <p>Framework for Delivering Professional Accountability</p> <p>Estates Strategy</p> <p>Revised Staffing Structure</p> <p>Organisational Development Programme</p> <p>Revised Induction Procedures</p> <p>Business Continuity Plan and Reporting to Trust Audit &amp; Corporate Governance Committee</p>
<p><b>Theme:</b> Policies &amp; Procedures</p>	<p><b>Medium Priority</b></p> <p>Control Design</p>	<p><b>Officer: Managing Director (Claire Green until in post)</b></p> <p><b>Target Implementation Date: 31 May 2026</b></p>

**Objective 2:** There is appropriate delegated ownership of the key thematic responsibilities of NHSP&I.

**Substantial**

### **Overview / Summary of Observations**

The key thematic responsibilities set out for NHS Wales P&I in the Hosting Agreement have been delegated to an appropriate lead as set out in the table provided earlier in this report. Individual directors are also advised of their specific overall responsibilities via an Accountability Letter from Welsh Government, and they confirm their compliance with their Hosting Agreement responsibilities by the signing of an annual individual compliance statement which supports the overall statement signed by the Responsible Officer on behalf of the organisation.

**Objective 3:** Where appropriate, monitoring and reporting arrangements have been established.

**Substantial**

### **Overview / Summary of Observations**

The table provided earlier in this report demonstrates that the thematic responsibilities are regularly reported to one of three committees of the Trust's Board. Quarterly reporting is undertaken to the Audit & Corporate Governance Committee and the Quality, Safety & Improvement Committee. Biannual reporting is undertaken to the People & Organisational Development Committee. Our testing confirmed that reports were being submitted as required in a standard format and that NHSP&I management were attending the committees to present the information.

In addition, there is a monthly business meeting which comprises the NHSP&I senior leadership team, but which is also attended by, and chaired by Welsh Government. Currently, the Deputy Chief Executive of Health, Social Care and Early Years Group (HSCEY) chairs the meeting and is accompanied by the Directors of Strategic Planning and of Operations. The agendas for this meeting cover reporting on the responsibilities allocated to NHSP&I in the Hosting Agreement.

There is a further monthly meeting chaired by the Chief Executive of NHS Wales and which includes all the executive directors of the HSCEY and the NHSP&I SLT. This meeting is primarily for reviewing 'hot topics' and sharing information and updates on national programmes but can also include items directly relevant to the Hosting Agreement such as finance, corporate governance and people and organisational development.

**Objective 4:** There are arrangements in place to periodically review the hosting agreement and a process for approval of any changes or updates.

**Substantial**

### **Overview / Summary of Observations**

The wording in the Hosting Agreement requires that it should be reviewed formally at least biannually but in practice it is currently being reviewed quarterly with Welsh Government. There are also quarterly meetings with the Trust to review the agreement. Any changes to the document require both approval from Welsh Government and the Trust Board and the updated document is then re-signed by both the Welsh Government and Trust Chief Executive. Currently the latest version of the agreement is in draft awaiting confirmation on funding for the hosting levy for People and Organisational Development. Once this is confirmed, which is expected imminently, the document will be signed by both the NHS Wales and Trust Chief Executives and taken back through the Trust Board for approval. Our review of Trust Board minutes confirmed that the Trust Board Secretary keeps the Trust Board regularly updated on progress with agreeing the revised Hosting Agreement.

**Overview / Summary of Observations**

Governance arrangements have been established within NHSP&I to oversee compliance with the Hosting Agreement. At an operational level this is via the Operational Delivery Group (ODG) whose key responsibility is to oversee the detailed schedules that now support the latest version of the Hosting Agreement. The ODG comprises programme managers and heads of departments and reports into the Operational Leadership Forum which is at an assistant director level. This in turn reports to the Senior Leadership Team and as previously described there is regular meeting and opportunity for dialogue with both Welsh Government and Trust colleagues on compliance with the Hosting Agreement. This is confirmed by the completion and signing of the Annual Compliance Statement by the Responsible Officer.

Key Findings	Risk & Impact	Agreed Management Action
<p>2 <b>Meeting Administration</b></p> <p>Current meeting agendas do not include a check to ensure and record whether any meeting attendee has a potential conflict with any item on the meeting agenda.</p> <p>Completion of action logs for all meetings is inconsistent. For example, the action log taken to the Monthly Business Meeting on 11 September 2025 had 26 actions in total, only one of which had a progress update, and for which 21 were recorded as not started. This is a concern that has previously been raised by the current Responsible Officer.</p>	<p>Potential conflicts of interest may not be declared in meetings and required actions are not being monitored and completed.</p>	<p><b>Agreed Action:</b></p> <p>Meeting Agendas will include a formal item to ensure that there are no conflicts of interest for any attendee with the topics on the agenda.</p> <p>Action will continue to be taken to ensure that meeting logs are updated ideally prior to meetings and that these are completed on a full and timely basis wherever possible.</p> <p><b>Expected Evidence of Implementation:</b></p> <p>Meeting Agendas</p> <p>Action Logs</p>
<p><b>Theme:</b> Governance</p>	<p><b>Medium Priority</b></p> <p>Control Operation</p>	<p><b>Officer: Assistant Director of Corporate Governance and Business Support</b></p> <p><b>Target Implementation Date: 31 January 2026</b></p>

# Appendix A

## 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.

## Prioritisation of Findings

Priority	Explanation
<b>High</b>	Significant risk to achievement of a system objective OR evidence present of material loss, error, or misstatement. Poor system design OR widespread non-compliance.
<b>Medium</b>	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](#)

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## 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.

