

NHS Performance & Improvement – Hosting Arrangements Internal Audit Report 2025/26

Public Health Wales NHS Trust



Substantial Assurance

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Review Reference

PHW-2526-09

Fieldwork

October 2025

Executive Sign Off

October 2025

Audit Committee

December 2025

Executive Lead

Paul Veysey, Board Secretary

Audit Team

Paul Dalton, Head of Internal Audit

Emma Samways, Deputy Head of Internal Audit

Executive Summary

Purpose

The purpose of our review was to consider the governance that the Trust has developed in relation to its hosted body arrangements for NHS Wales Performance & Improvement (NHSP&I).

Overview

The relationship with NHSP&I is governed by a Hosting Agreement between the Trust and Welsh Government, which is signed and approved by both parties. The responsibilities attributed to both the Trust and NHSP&I are clearly set out in the agreement. The arrangements for the Trust to receive regular assurance that NHSP&I are meeting their responsibilities are considered to be working very effectively by the Board Secretary and his deputy. The assurance requirements under the Hosting Agreement are clearly detailed in an Assurance Schedule which is supported by a further reporting schedule. This helps to ensure that the Audit and Corporate Governance Committee, the Quality, Safety and Improvement Committee, and the People and Organisational Development Committee receive relevant information from NHSP&I on a timely basis. 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 have concluded substantial assurance on this area. We have identified no matters for reporting in our review. However, we have identified the following opportunities for enhancement that do not impact the overall opinion and are highlighted for management information:

- The quarterly review meetings which are Welsh Government-led are not minuted and would benefit from completion of an action log where appropriate.
- 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	The Trust has established processes to gain assurance that NHSP&I is meeting each of its thematic responsibilities identified in the hosting agreement.	-	Substantial
2	The Trust has established governance arrangements to oversee overall compliance with the hosting agreement.	-	Substantial
3	There are arrangements in place to periodically review the hosting agreement and a process for approval of any changes or updates.	-	Substantial

Hosting Agreement Assurance Schedule

Subject	Assurance required	Frequency of reporting	NHSP&I lead	Trust contact	Assurance Reporting to the Trust
Risk Management (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
Audit Activity	As per ACGC template for NHS Executive	Quarterly	Business Lead	Executive Director of Ops and Finance / Board Secretary	
Counter Fraud	As per ACGC template for NHS Executive	Quarterly	C Green (RO)	Executive Director of Ops and Finance	
Declarations Registers /	As per ACGC template for NHS Executive	Quarterly	Business Lead	Board Secretary	
Information Governance	As per ACGC template for NHS Executive	Quarterly	S Lewis (DTIV)	SIRO	
Business Continuity	As per ACGC template for NHS Executive	Quarterly	C Green (RO)	Board Secretary	
Agreements Register	As per ACGC template for NHS Executive	Quarterly	Business Lead	Board Secretary	
NHS Executive RO Annual Compliance Statement	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
Health and Safety (H&S)	As per QSIC template for NHS Executive	Quarterly	Business Lead	Executive Director of QNAPS	QSIC
National Reportable Incidents	As per QSIC template for NHS Executive	Quarterly	G Lee (P&A)	Executive Director of QNAPS	

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

Findings & Agreed Action Plan

Objective 1: The Trust has established processes to gain assurance that NHSP&I is meeting each of its thematic responsibilities identified in the hosting agreement.

Substantial

The thematic responsibilities attributed to NHSP&I are clearly set out in the Hosting Agreement. To ensure that the Trust is receiving assurance on each of these areas of responsibility, it has documented an overall Assurance Schedule that is shown in full in the preceding pages of this report. This covers all of the areas of thematic responsibility and separates the reporting between the following committees of the Trust's Board:

- Audit and Corporate Governance Committee;
- Quality, Safety and Improvement Committee; and
- People and Organisational Development Committee.

The Assurance Schedule identifies what needs to be reported under the terms of the Hosting Agreement and to which Committee, and how often. Reporting to the Audit and Corporate Governance Committee and the Quality, Safety and Improvement Committee is on a quarterly basis, and is twice-yearly to the People and Organisational Development Committee.

A further reporting schedule takes this a level further by identifying what needs to go to each individual meeting of the three committees of the Board and the timescales for receipt of the various reports.

Objective 2: The Trust has established governance arrangements to oversee overall compliance with the hosting agreement.

Substantial

Reports are presented to each of the three committees of the Board in accordance with the requirements of the Assurance Schedule. An annual statement of compliance is also signed by the NHSP&I Responsible Officer and submitted to the Audit & Corporate Governance Committee. Our testing of three recent meetings of each committee identified that the assurance requirements were met. Our discussion with the Board Secretary and Deputy Board Secretary also identified that they are both satisfied that NHSP&I is meeting its requirements in terms of the content and timeliness of reporting, and that appropriate NHSP&I staff are attending the various committees to allow effective scrutiny of the submitted reports.

In addition to the quarterly reporting regime, the Responsible Officer for NHSP&I signs an Annual Statement of Compliance with the requirements of the Hosting Agreement. This not only covers the year just completed but requires the Responsible Officer to commit to maintaining compliance for the year ahead. We are aware that the current Responsible Officer has required all of her directors to each sign a copy of the same statement to provide further assurance in support of her over-arching statement.

The terms of reference for the relevant Board committees were updated to include specific reference to the requirements of the Hosting Agreement and these were approved by the Trust's Board at its meeting in May 2025.

Objective 3: There are arrangements in place to periodically review the hosting agreement and a process for approval of any changes or updates.

Substantial

Any changes to the Hosting Agreement require the approval and signature of both the Trust's Chief Executive on behalf of the Trust's Board and the NHS Wales Chief Executive. The agreement was updated for the 2025/26 year for several changes and was enhanced by the addition of five detailed schedules covering Finance, IT, People & Organisational Development, Estates, Facilities and Health & Safety, and Nursing, Quality and Integrated Governance. Whilst the Trust's Board received the updated agreement at its meeting in March 2025, and were happy to approve the amendments, this was subject to a funding issue, relating to the hosting levy, being resolved with Welsh Government. This has taken some time to resolve, but the updated Agreement was formally approved at the September meeting of the Trust's Board. In practice, both the Trust and NHSP&I had been working to the revised agreement since the start of the financial year and the existing agreement also remained extant at this time.

The Hosting Agreement requires half-yearly review meetings, but these have been occurring on a quarterly basis comprising Welsh Government, Trust and NHSP&I representatives. The meetings are led and coordinated by Welsh Government and whilst there are formal agendas, the meetings are not minuted or an action log produced. As Welsh Government are responsible for these meetings, we are not raising a formal finding but have included the production of an action log as an opportunity for enhancement that Trust management may wish to consider.

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
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](#)

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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.

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.

