

Internal Audit Progress Report

Audit Committee

May 2026

Swansea Bay University Health Board

NWSSP Audit and Assurance Services



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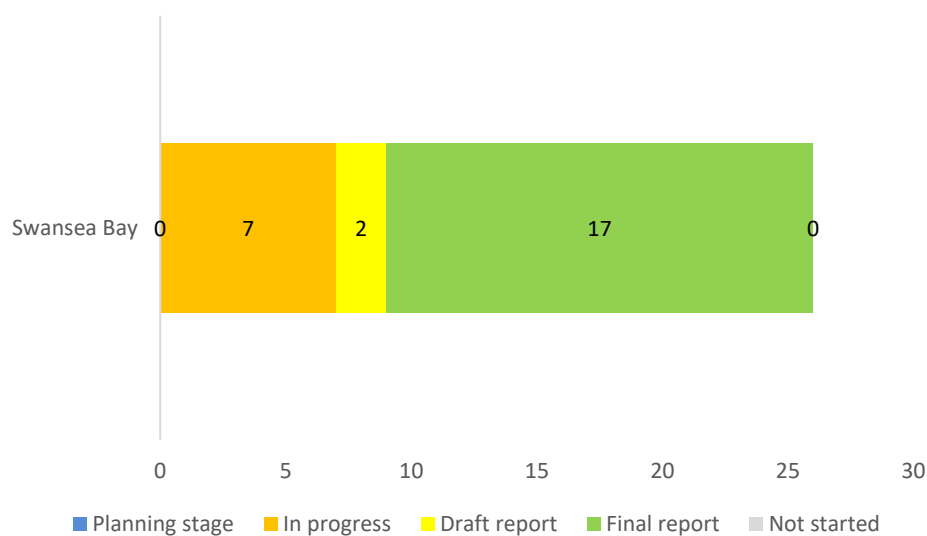
1. Introduction

The purpose of this report is to:

- highlight progress of the 2025/26 Internal Audit Plan to the Audit Committee; and
- provide an overview of other activity undertaken since the previous meeting.

2. Progress against the 2025/26 Internal Audit Plan

There are 27 reviews in the 2025/26 Internal Audit Plan, and overall progress is shown below.



Detailed progress in respect of each of the reviews in the 2025/26 Internal Audit Plan is summarised in Appendix A.

3. Proposed changes to approved plan

2025/26 Internal Audit Plan

Management have requested the deferral of the audit of the development of the Clinical Services Strategic Plan (CSSP). This review was originally included as a replacement for the Children and Young People Services audit, which was deferred earlier in the year to allow time for internal improvements to planning, governance, performance assurance, and coordination within that service area.

The Health Board has since confirmed a revised timetable for the CSSP, with the draft plan now expected to be presented to the Board in November 2026, rather than by March 2026 as originally anticipated. As a result of this slippage, undertaking the audit as part of the 2025/26 Internal Audit Plan would be of limited value.

This request to defer the audit was discussed with, and verbally approved by, the Audit Committee at its March meeting.

2026/27 Internal Audit Plan

Following a recommendation from the Public Services Ombudsman for Wales (PSOW) issued within a public interest report, management have requested that Internal Audit undertake a review of the orthopaedic waiting list. The purpose of this review would be to establish whether any other patients have been treated incorrectly, including instances where waiting times have been incorrectly reset and/or patients were not informed that their waiting time clock had been reset.

It is proposed that this review replaces the diagnostic services audit currently included in the 2026/27 Internal Audit Plan, on the basis that:

- both pieces of work fall within the planned care domain; and
- the diagnostic services review is scheduled for Quarter 1/Quarter 2, making this a feasible substitution, given the urgency of responding to the PSOW recommendation.

4. Follow Up of Internal Audit Recommendations

As previously communicated and agreed with the Health Board, a revised approach to follow-up has been introduced for the 2025/26 Internal Audit Plan year. Under this approach, a minimum of 50% of high-priority and 10% of medium-priority recommendations arising from internal audit reports issued during 2024/25 will be subject to review during the year. Selection is based on recommendations recorded as closed within the Health Board's recommendation tracker.

Subject to recorded closure, the sample will also include recommendations from two limited assurance reports: Safety Notices & Alerts (2020/21) and Continuing Healthcare (2022/23). These recommendations had previously been reported as 'in progress' at earlier follow-up reviews.

A rolling programme of validation of closed recommendations has been undertaken throughout the year, with updates provided at each meeting of the Audit Committee. To date, conclusions from three follow-up reviews have been reported:

- Recommendations with an expected implementation date on or before 31 March 2025 were reported to the November 2025 Audit Committee;
- Recommendations due on or before 20 August 2025 were reported to the January 2026 Audit Committee; and
- Recommendations due for implementation on or before 12 December 2025 were reported to the March 2026 Audit Committee.

Progress Against Recommendations

As noted in our update to the March Audit Committee, of the 148 high and medium-priority recommendations issued during 2024/25, 136 were expected to be

closed across these reporting dates referenced above. Of these, 85 have been recorded as closed, representing an overall closure rate of 62.5%.

Validation Activity

No further sample testing has been undertaken since the March Audit Committee. This reflects the extension given by the Corporate Governance Team of the deadline for colleagues to provide updates on audit actions to 19 April 2026. These updates are currently being reviewed and validated by the Team and will inform reporting to the May 2026 Audit Committee.

Our previous update highlighted that we were unable to conclude on two recommendations—one from the Safety Notices & Alerts report and one from Asset Management—pending receipt of additional evidence. This evidence has since been provided, enabling confirmation of closure (see Tables 1 and 2 in appendix B). Consequently, across all reviews undertaken to date, we have agreed the closure of all 22 recommendations sampled.

Next Steps

The next follow-up review will consider recommendations with an expected implementation date of 19 April 2026, aligning with the update provided to the May 2026 Audit Committee. A further 62 recommendations from 2024/25 audits are expected to be closed by this date, including the remaining nine due by 31 March 2025, 28 due by 20 August 2025, and 14 due by 12 December 2025. From this population, the next sample will be selected, with conclusions reported to the July 2026 Audit Committee through a year-end summary report, providing an overall position for the year.






5. Engagement

The following meetings have been held/attended during the reporting period:




- observation of Board and Committee meetings;
- audit scoping and debrief meetings;
- liaison with senior management; and
- liaison with external regulators.

6. Key Performance Indicators

- Correct on 30 April 2025

Indicator	Status	Actual	Target
Operational Audit Plan agreed for 2025/26		March	By 30 June
Audits reported over planned		18	19
Work in progress		8	
Report turnaround: time from fieldwork completion to draft reporting [10 days]		14 out of 18	80%
Report turnaround: time taken for management response to draft report [15 days]		<i>10 out of 16</i>	80%
Report turnaround: time from management response to issue of final report [10 days]		<i>13 out of 13</i>	80%

Key:

-  v > 20%
-  10% < v < 20%
-  v < 10%

7. Recommendation

- The Audit Committee is invited to note the above; and
- Approve the proposed changes at section 3.

Appendix A: Progress against 2025/26 Internal Audit Plan

Review	Status	Rating	Key matters arising	Outline timing	Anticipated Audit Committee ¹
Risk Management and Assurance	Final report	Reasonable	Risk reporting has improved, but gaps in procedures, unclear oversight, delayed Risk Appetite Statements, and inconsistent action planning reduce assurance that risks are reliably identified, escalated, and mitigated across the organisation.	Q4	March 2026
Service Group Governance Arrangements: Morriston	Draft report			Q3/4	July 2026
Hywel Dda University Health Board and Swansea Bay University Health Board Regional Joint Committee (Advisory)	In progress			Q3/4	July 2026
Follow Up	In progress		See section 4. A sample of closed recommendations will be validated on a rolling basis, with updates provided at each Audit Committee meeting and a summary report prepared at year-end to capture the overall status.	Q1-4	July 2026
Budget Setting	Final report	Reasonable	Significant financial pressures, weak savings delivery, capacity gaps, inadequate financial training, and inconsistent accountability letters undermine financial control. Stronger capability, clearer delegation, and improved planning are essential for stability.	Q3	March 2026
Medical Variable Pay	In progress			Q4	July 2026

¹ May be subject to change

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Review	Status	Rating	Key matters arising	Outline timing	Anticipated Audit Committee ¹
Escalation Status Action	Final report	Limited	Escalation governance is inconsistent, with unclear accountability, outdated or incomplete action reporting, paused oversight forums, and missing de-escalation evidence—limiting assurance over progress in key escalated service areas.	Q1	March 2026
Children and Young People Services	<i>The audit has been deferred to the 2026/27 Internal Audit Plan and replaced by a review of the Clinical Strategic Plan scheduled for Q4</i>				
Clinical Services Strategic Plan	<i>Refer to Section 3. Management have requested deferral of this audit in line with the revised CSSP development timetable.</i>				
Annual Plan and Integrated Medium-Term Plan (IMTP) Delivery	Final report	Limited	Arrangements were weakened by inconsistent monitoring, unclear escalation, and variable oversight, limiting transparency, accountability and assurance over progress, prioritisation, and effective delivery across service groups and governance forums.	Q3	May 2026
Patient Experience	Final report	Reasonable	The Health Board has strong systems for collecting and analysing patient feedback. However, Service Groups lack clear roles, documented actions, and traceability in responding to feedback. Improvements are needed in strategy timelines, governance, and accountability to ensure consistent learning and service improvement across the organisation.	Q2	September 2025
Management of Serious Incidents	Final report	Reasonable	The Health Board has reasonable NRI arrangements but lacks training oversight, timely		

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Review	Status	Rating	Key matters arising	Outline timing	Anticipated Audit Committee ¹
			reporting and closure, consistent documentation, and robust action-tracking, limiting assurance over investigation quality, compliance, and learning implementation.	Q3	March 2026
Controlled Drugs	Final report	Reasonable	Compliance with controlled drug processes is generally good, but weaknesses in documentation, cabinet security, segregation of patient medication, audit reporting, and Service Group oversight limit assurance and require strengthened governance and monitoring.	Q3	March 2026
National Safety Standards for Invasive Procedures (NatSSIPs) and Local Safety Standards for Invasive Surgical Procedures (LocSSIPs)	In progress			Q4	July 2026
Access to Primary Care: Community Pharmacy	Final report	Reasonable	Unsigned service agreements before payments, limited strategic reporting to the Board, and opportunities to improve complaints communication and feedback mechanisms.	Q2	November 2025
Theatres Utilisation	Final report	Reasonable	Progress has been made through new governance structures and standardised scheduling practices. However, challenges remain, including unratified frameworks, inconsistent reporting, limited clinical engagement, and resource constraints. Improvements are needed in data quality, performance monitoring, and formalising policies to	Q2	November 2025

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Review	Status	Rating	Key matters arising	Outline timing	Anticipated Audit Committee ¹
			sustain gains and enhance theatre efficiency.		
Urgent and Emergency Care Performance	Final report	Limited	The review found strong shared commitment and alignment with national and regional priorities, but governance weaknesses persist. Limited visibility of partner capacity, unclear interfaces between key governance forums, inconsistent escalation arrangements, and stalled workstreams reduce accountability, delay decision-making, and weaken oversight of system delivery, despite some targeted progress through short-term initiatives.	Q3	May 2026
Vaccination and Immunisation	Final report	Reasonable	Misalignment between strategic plans, lack of SMART targets, and limited evaluation of intervention effectiveness in improving vaccine uptake and equity outcomes.	Q2	November 2025
Health Records Migration	Final report	Reasonable	The health records migration was delivered successfully with effective governance and improved operations, but the absence of a formal post-implementation review limits evidence of benefits realisation and organisational learning.	Q3/4	May 2026
Digital Benefits Realisation	Final report	Substantial	Strong benefits frameworks in place; improvement needed in consistent application and SMART benefit definition.	Q2	November 2025
Digital Operating Model and Board Awareness	<i>This audit has been deferred due to overlap with Audit Wales' deep dive review into digital system investments</i>				

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Review	Status	Rating	Key matters arising	Outline timing	Anticipated Audit Committee ¹
Management of the Delivery of National Systems	In progress			Q4	July 2026
Strategic Equity Plan (Deferred from 2024/25)	Final report	Limited	The Strategic Equity Plan was recently approved, but key action plans require better coordination, formal approval, and monitoring. Improvements are needed in governance, reporting, and impact assessments to meet equality obligations.	Q2	September 2025
Staff Retention	Final report	Reasonable	Staff retention arrangements are well established with improving turnover, but weak evaluation, fragmented governance, poor use of leaver feedback and unclear metrics limit assurance over effectiveness and impact.	Q3	May 2026
Medical Study Leave	Final report	Reasonable	Key issues include inconsistent approvals, lack of system reconciliation, appeal inconsistencies, miscoded expenses, limited financial oversight, and absence of formal reporting on study leave activity.	Q2	November 2025
Capital & Estates					
Capital Systems (Deferred from 2024/25)	In progress			Q4	July 2026
Asbestos Management	Final report	Reasonable	Asbestos controls are generally effective, but unclear responsibilities, limited training reporting, and incomplete administrative procedures weaken assurance and require updates to governance, role clarity, and record-keeping ensuring full compliance.	Q3	March 2026

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Neath Port Talbot District General Hospital (DGH) Private Finance Initiative (PFI) Follow Up Review			<i>This audit has been deferred following a change in assurance rating in the 2024/25 audit from limited at draft report stage to reasonable assurance, reflecting progress made and a reduction in risk.</i>		
Morrison Hospital: Burns Intensive Care Unit (post completion review)	Draft report	Reasonable	The project was delivered largely to time, cost and quality expectations, but weaknesses in approvals, contract administration, final account controls and documentation reduce assurance and highlight lessons for future capital schemes.	Q3	July 2026
Singleton Hospital PET (positron emission tomography) and CT (computerised tomography) Scanning	In progress			Q4	July 2026

¹ May be subject to change

Appendix B: Follow Up of Internal Audit Recommendations

Table 1: Sample of closed recommendations as at 12 December 2025 (carried over from third review).

Report Title	Recommendation reference & detail	Priority rating	Management action ref (as per tracker)	Internal Assessment	Audit
Limited Assurance Reports					
Safety Notices & Alerts (June 2022)	2.1 Recording and monitoring of actions taken in response to notices and alerts.	High	2.1a; 2.1b	Appropriately classified as closed.	

Table 2: Sample of closed recommendations as at 20 August 2025 (carried over from second review)

Report Title	Recommendation reference & detail	Priority rating	Management action ref (as per tracker)	Internal Assessment	Audit
Limited Assurance Reports					
Asset Management (February 2025)	4 Physical Verification of Assets	High	4	Appropriately classified as closed.	