

NHS Ayrshire & Arran



Meeting:	Ayrshire and Arran NHS Board
Meeting date:	Tuesday 7 April 2026
Title:	Internal Audit Plan 2026/2027
Responsible Director:	David Stonehouse, Interim Director of Finance
Report Author:	David Stonehouse, Interim Director of Finance

1. Purpose

This is presented to the Committee for:

- Decision

This paper relates to:

- Government policy/directive

This aligns to the following NHSScotland quality ambition(s):

- Effective

This supports the following Corporate Objectives:

- **Better Value** – Delivering innovative and sustainable services for everyone
The internal audit work supports our governance, assurance, financial sustainability and internal controls.
- **Better Workplace** – Creating a great place for us to work
The internal audit plan includes specific review of staff wellbeing and other areas related to staff experience and safety.
- **Better Care** – Improving your experience of care
There is audit work planned which relate to patient pathways and safety

2. Report summary

2.1 Situation

Azets as the Board's internal auditors take a risk based approach and have proposed areas for internal audit review in 2026/2027. The plan has been refined through discussion at Audit and Risk Committee, Corporate Management Team and Integrated Governance Committee. This is presented for Members to approve the internal audit plan for 2026/2027.

2.2 Background

Internal Audit are required to provide an annual assurance statement. This supports the Governance Statement within the Board annual accounts. They take a

risk based approach in determining areas to carry out reviews, which should cover all areas of governance.

2.3 Assessment

Appendix 1 shows the areas suggested to be covered over the period 2026/27 – 2028/29. The focus for now is the 2026/27 plan.

Starting from the strategic risks to the organisation, the draft audit plan seeks to provide governance committees with assurance in some of these key areas.

For each of the areas of review there is a need to agree the relevant governance committee. All reports are received by the Audit and Risk Committee who would then pass them to the governance committee specified to monitor implementation.

Audit review area 2026/27	Lead Director	Governance Committee
Strategic and operational planning	Kirstin Dickson	Performance
Financial Sustainability	David Stonehouse	Performance
Core Financial Controls – Payroll	David Stonehouse	Audit and Risk
Delayed Discharges	Vicki Campbell	Performance
Waiting List Management	Vicki Campbell	Performance
Public Protection	Jenny Wilson	Healthcare
Significant Adverse Events Management	Crawford McGuffie	Healthcare
Staff Wellbeing	Sarah Leslie	Staff
IT Audit Review – Fair warning System	Nicola Graham	Information
Property Transaction Monitoring	David Stonehouse	Audit and Risk

2.3.1 Quality/patient care

A review will take place on Waiting List Management and Delayed Discharges.

2.3.2 Workforce

A review is planned on Staff Wellbeing

2.3.3 Financial

Financial controls are audited on a cyclical basis.

2.3.4 Risk assessment/management

The internal auditors reviewed the strategic risk register in designing their audit programme.

2.3.5 Equality and diversity, including health inequalities

An impact assessment has not been completed because not relevant

2.3.6 Best value

This paper support Best Value across the following themes.

- Governance and accountability – the internal audit plan underpins our governance framework and assurances
- Use of resources – several areas of the audit relate to financial stewardship and efficient deployment of resources
- Performance management – the internal audit review will identify any areas for improvement and will support performance oversight
- Vision and Leadership – the internal audit can highlight whether strategic planning and leadership is effective
- Effective Partnerships – some of the audit areas relate to system wide and cross organisational processes

2.3.7 Other impacts

No other relevant impacts.

2.3.8 Communication, involvement, engagement and consultation

The Board has carried out its duties to involve and engage external stakeholders where appropriate including a discussion at Corporate Management Team.

2.3.9 Route to the meeting

This has been previously considered by the following groups as part of its development. The groups have either supported the content, or their feedback has informed the development of the content presented in this report:-

- Audit and Risk Committee – 22 January 2026 and 19 March 2026
- Corporate Management Team – 23 March 2026
- Integrated Governance Committee – 17 February 2026

2.4 Recommendation

For decision. Board members are asked to approve the proposed areas for internal audit services in 2026/2027.

3. List of appendices

- Appendix 1, Draft Internal Audit Plan from Azets



NHS Ayrshire and Arran


Strategic Internal Audit Plan 2026/27 – 2028/29

Updated as at February 2026



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Introduction

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.

Internal audit enhances an organisation's:

- Successful achievement of its objectives
- Governance, risk management, and control processes
- Decision-making and oversight
- Reputation and credibility with its stakeholders
- Ability to serve the public interest.

Purpose of Internal Audit from the Global Internal Audit Standards

Our strategic internal audit plan is designed to support the achievement of NHS Ayrshire and Arran (NHSAA) objectives. It will provide NHSAA, through the Audit and Risk Committee, with the assurance it needs to discharge its governance responsibilities effectively and comply with best practice in corporate governance.

We also aim to contribute to the continuous improvement of governance, risk management and internal control processes through the implementation of this this plan.

The Azets internal audit methodology complies fully with the Global Internal Audit Standards (GIAS) and Topical Requirements, which cover the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework (IPPF).

The GIAS require the Chief Internal Auditor to produce a risk-based plan that takes into account NHSAA's risk management framework, its strategic objectives and priorities and the views of senior management and the Audit and Risk Committee.

The objective of audit planning is to direct audit resources in the most efficient manner to provide sufficient assurance that key risks are being managed effectively and efficiently.

This document addresses these requirements by setting out a strategic internal audit plan for the three-year period 2026/27 to 2028/29.

Audit and Risk Committee action

In order to develop the draft plan, we held a session with the Corporate Management Team (CMT) to discuss potential areas where Internal Audit could best add value. We used this information to support an audit needs assessment, further informed by review of documentation including the Strategic Risk Register.

Thereafter, we met with the Chief Executive and Director of Finance in January 2026 to agree the proposed coverage during 2026/27 – 2028/29, presenting the resulting draft to the January 2026 ARC meeting for feedback by members.

Since then, we have updated the prioritisation of audits within the plan across each of the three years. There have been no substantive changes to the audits themselves, only to the order in which they will be undertaken during 2026/27 – 2028/29. A summary of the key changes between this version and the initial version presented in January 2026 is provided at Appendix 6.

We now ask the Audit and Risk Committee (ARC) to review the proposed Internal Audit Plan for 2026/27 – 2028/29.

Internal audit approach

Risk based internal auditing

Our methodology links internal audit activity to the organisation's risk management framework. The main benefit to NHSAA is a strategic, targeted internal audit function that focuses on the key risk areas and provides maximum value for money.

We have reviewed NHSAA's risk management arrangements and have confirmed that they are sufficiently robust for us to place reliance on the risk register as one source of the information we use to inform our audit needs assessment.

Audit needs assessment

Our internal audit plans are based on an assessment of audit need. "Audit need" represents the assurance required by the Audit and Risk Committee from internal audit that the control systems established to manage and mitigate the key inherent risks are adequate and operating effectively. The objective of the audit needs assessment is therefore to identify these key controls systems and determine the internal audit resource required to provide assurance on their effectiveness.

Our audit needs assessment involved the following activities:

- Reviewing NHSAA's risk register.
- Reviewing NHSAA's corporate and operational plans.
- Reviewing previous internal audit reports.
- Reviewing external audit reports and plans.
- Reviewing the NHSAA website and internal policies and procedures.
- Considering requirements of or changes to laws and regulations.
- Coverage provided by other assurance providers.
- Utilising our experience at similar organisations; and
- Discussions with senior management and the Audit and Risk Committee.

The plan has also been cross-referenced to the NHSAA risk register as at November 2025. The audit universe is included at Appendix 4.

Liaison with other assurance providers

We seek to complement the areas being covered by NHSAA's external auditors, Audit Scotland. We welcome comments on the internal audit plan from Audit Scotland at any time and we will formally discuss the plan with Audit Scotland on at least an annual basis. This will help us to target our work in the most effective manner, avoiding duplication of effort and maximising the use of total audit resource.

Delivering the internal audit plan

Internal Audit Charter

At Appendix 5 we have set out our Internal Audit Charter, which details how we will work together to deliver the internal audit programme.

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Proposed Internal Audit Plan

Appendix 1 presents the internal audit plan for 2026/27 to 2028/29. The Internal Audit plan is based on our risk and audit needs assessment between January 2026 and February 2026.

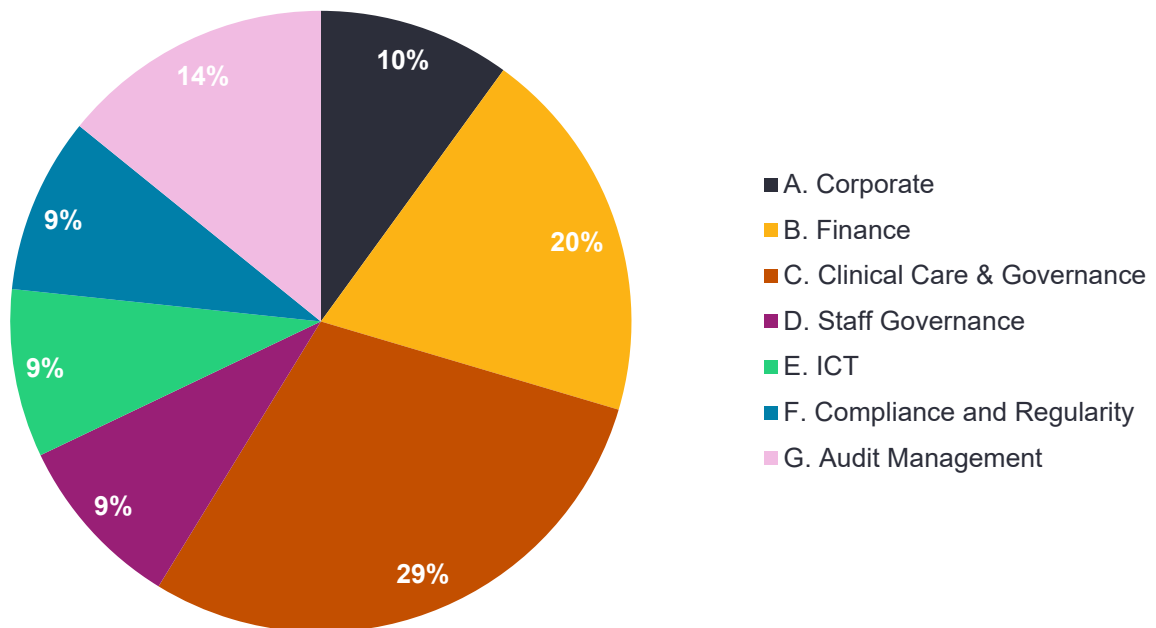
As our approach is based on risk, the proposed plan is also cross-referenced to the corporate risk register, which is included at Appendix 2 for reference.

Internal audit is only one source of assurance for the Audit and Risk Committee. Assurance on the management of risk is provided from a number of other sources, including the senior management team, external audit and the risk management framework itself.

The table below demonstrates how the internal audit days for 2026/27 are allocated across each area of the audit universe.

The plan will be delivered by our pool of internal audit staff with specialist staff used as required dependent on the area under review, specific details of the staff utilised for each review will be detailed within the specific internal audit assignment plan. Staff will utilise relevant technological resources required for undertaking the review in question.

Allocation of audit days



Appendix 1 – Internal Audit Plan 2026/27 – 2028/29

Audit area	2026 /27	2027 /28	2028 /29	Risk Register Ref	Audit objectives
A. Corporate					
A.1 Whistleblowing		25		All risks	To review arrangements for raising and handling whistleblowing concerns and adherence with the requirements of the National Whistleblowing Standards. In particular, we will consider the steps taken to promote a 'speak up' culture and to create an environment where individuals feel comfortable raising concerns and have confidence that those will be appropriately dealt with.
A.2 Strategic and Operational Planning	24			668, 669, 742	Review of the whole system planning processes to ensure that strategic and operational plans support delivery of the Board objectives efficiently and effectively and are consistently applied across the organisation and partners.
A.3 Risk Management			18	All risks	To ensure that: <ul style="list-style-type: none"> • there is a defined and consistently applied approach for identifying, assessing, prioritising and escalating organisational risks; • Risk registers are embedded throughout the organisation; • Mitigating actions are identified to manage residual risks down to an acceptable level; and

Audit area	2026 /27	2027 /28	2028 /29	Risk Register Ref	Audit objectives
					<ul style="list-style-type: none"> Risk registers are subject to monitoring and scrutiny on an ongoing basis.
A.4 Performance Management			20	All risks	We will assess the robustness of NHSAA's overarching performance management framework. This will consider the identification of metrics to assess board-wide performance and agreement of an appropriate reporting framework for the Board, its committees and management.
A.5 Health and Safety (follow up)			20	357, 432, 742	To assess whether the current processes for managing and complying with non-clinical external inspection requirements are fit-for-purpose. This review will serve us a follow up to our 2025/26 audit.
A.6 Service Level Agreements		23		668, 669, 703, 742	To assess whether there are robust governance and assurance measures in place to ensure that SLAs are operating as intended.
Subtotal A:	24	48	58		
B. Finance					
B.1 Procurement			22	703	To assess the effectiveness, transparency and compliance of procurement and tendering processes in securing value for money, promoting fair competition, and managing supplier risk as required by relevant legislation.
B.2 Financial Management and Reporting		25		703	To review arrangements for ensuring that a robust financial management and reporting framework is in place to allow NHSAA to demonstrate the effective and efficient use of financial resources.

Audit area	2026 /27	2027 /28	2028 /29	Risk Register Ref	Audit objectives
					In particular we will consider the use of appropriate budgeting and forecast models to support achievement of savings targets.
B.3 Financial Sustainability	25			703	To review how financial planning is aligned to strategic priorities and medium and longer term sustainability. This review considers to what extent the financial plans are subject to risk and sensitivity analysis (including as related to staff pay as the most significant driver of expenditure), look at different scenarios, and how this relates to planning and impact evaluation for the range of NHSAA services (current and potential/planned). It will also consider how this information is consolidated and shared across the board, including reported to senior leadership and non-executives for review and scrutiny.
B.4 Core Financial Controls – Payroll	22			703	We will perform analytics over payroll data, using this to inform testing over the existence of employees and changes to standing data through the starter, leaver and amendments processes.
Subtotal B:	47	25	22		
C. Clinical Care and Governance					
C.1 Delayed Discharges	25			742, 767, 885	To review pathway arrangements for managing delayed discharges, including liaison with HSCPs. We will also review effectiveness of performance management systems and availability of data to support the process.

Audit area	2026 /27	2027 /28	2028 /29	Risk Register Ref	Audit objectives
C.2 Waiting List Management	21	21	20	494, 668, 669, 764, 767, 885	<p>To provide assurance that waiting lists are being effectively and accurately maintained to support achievement of Treatment Time Guarantees as required by Scottish Government. Areas of focus to be agreed on an annual basis to consider prioritisation of cases and monitoring of backlog and performance. This may cover areas such as ensuring the consistent application of policies / processes, quality of data used, oversight over performance and implementation of new initiatives.</p> <p>2026/27 – MSK services</p>
C.3 Public Protection		24		742	<p>To review the effectiveness of Public Protection policies, alignment with the NHS Scotland Public Protection Accountability and Assurance Framework¹, and the extent to which underpinning aims and objectives are being met. We will also consider the extent to which:</p> <ul style="list-style-type: none"> • Roles and responsibilities have been articulated and communicated within local sites; • Potential risks or concerns are escalated to an appropriate senior level; and • Work and activity is periodically reviewed and revised to meet supply and demand factors.

¹ [NHS public protection accountability and assurance framework - gov.scot](https://www.gov.scot/publications/nhs-public-protection-accountability-and-assurance-framework/pages/1-to-3.aspx)

Audit area	2026 /27	2027 /28	2028 /29	Risk Register Ref	Audit objectives
C.4 Full Capacity Protocol			22	494, 668, 669, 764, 767, 885	To consider the effectiveness and consistency of escalation routes for managing instances where sites exceed capacity under the recently-implemented Full Capacity Protocol.
C.5 Significant Adverse Events Management	24			494, 668, 669, 764, 767, 885	Covering the management and oversight of significant adverse events. The review will assess arrangements to ensure incidents are classified correctly, that staff have received appropriate training that incidents are consistently recorded. We will also review the level of engagement with patients during the review process and identification of any lessons learned.
Subtotal C:	70	45	42		
D. Staff Governance					
D.1 Staff Wellbeing	22			219	To review the extent to which NHSAA's approach to staff wellbeing and working cultures (WWC) aligns with the National Culture and Wellbeing Framework published by Scottish Government in July 2024.
D.2 Staff Training and Development		20		219, 351, 357	To consider the extent to which staff training plans have been developed in line with role requirements and subsequently implemented. We will assess whether training needs identified through personal development plans are addressed on a timely basis, and arrangements for ensuring statutory and mandatory training courses are completed across all areas of the organisation.

Audit area	2026 /27	2027 /28	2028 /29	Risk Register Ref	Audit objectives
D.3 Staff Rostering		25		219, 668, 669, 764, 767, 885	To confirm whether consistent and effective staff planning rules are in place; that unsafe working patterns are identified, appropriately reported and managed; and that clinical risk is minimised through the use of suitably skilled staff.
D.4 Staff Performance Management (follow up)			18	219, 351, 357	To consider arrangements for staff performance management, including consistency of the appraisal process, objective setting and identification and resolution of training/development needs for staff. This review will assess the extent to which the findings of our 2025/26 audit have been implemented and supported improved performance in this area.
D.5 Promoting Attendance			20	219	To ensure that Sickness and Absence Management policies are up-to-date, consistent with national guidance, and consistently applied to promote attendance across different locations. We will also consider whether a sickness absence tolerance level has been set and is subject to appropriate monitoring. We will use data analytics to target areas exceeding this tolerance and undertake root analysis to seek to understand drivers of high absence rates.
Subtotal D:	22	45	38		
E. IT and Information Governance					
E.1 IT audit review – Fair Warning system	21			603, 821	We will review arrangements for ensuring that access to patient and other sensitive clinical data is appropriately restricted, and that records are only accessed for legitimate and necessary reasons. In particular, we will consider arrangements for ensuring that alerts from the Fair

Audit area	2026 /27	2027 /28	2028 /29	Risk Register Ref	Audit objectives
					Warning system are appropriately investigated through to resolution, on a timely basis.
E.2 IT audit review TBC		22		603, 821	Exact scope to be informed as part of 2027/28 audit needs assessment.
E.3 Cyber Security			25	603, 821	To provide assurance that network and user access is subject to adequate control, that there are sufficient measures to protect the network from external attack and that staff are aware of cyber threats, including actions that can be taken to minimise cyber risk.
Subtotal E:	21	22	25		
F. Compliance and regularity					
F.1 Property Transaction Monitoring	7	7	7		Review of property transactions as required by the Scottish Government Property Transaction Handbook
F.1 Follow-up	15	15	15		To confirm that management actions have been implemented as agreed.
Subtotal F:	22	22	22		
G. Audit management					
G.1 Contract management	7	7	7		
G.2 ARC planning and attendance	12	12	12		ARC prep and attendance, including Chair liaison/support

Audit area	2026 /27	2027 /28	2028 /29	Risk Register Ref	Audit objectives
G.3 Audit needs assessment / annual plan preparation	3	2	2		Audit needs assessment, in line with GIAS and quality standards
G.4 Liaison with external audit	1	1	1		For co-ordination and efficiency
G.5 Liaison meetings and progress reporting	6	6	6		For ongoing liaison, regular communication and mgt support/comms
G.6 Annual internal audit report	2	2	2		Per GIAS
G.7 Contingency	3	3	3		To respond to issues as/when they arise over the year
Subtotal G:	34	33	33		
TOTAL	240	240	240		

Appendix 2 – Corporate Risk Register

As part of our audit needs assessment, we reviewed the Strategic Risk Register (as at November 2025) to consider auditable areas against identified risks.

REF	Risk Title	Status
219	Staffing and Competence - Promoting Attendance and Staff Wellbeing	Treat
351	Staffing and Competence - Personal Development Review Process	Treat
357	Compliance - Mandatory and Statutory Training	Treat
432	Compliance - Statutory Regulations Management of the Estate	Treat
494	Complaints / claims - Planned Care Waiting Times	Treat
557	Compliance - Information Governance	Treat
603	Service / Business Interruption - Cyber Incident	Treat
668	Staffing & Competence - Transformational Change reform and recovery of services	Treat
669	Objectives and projects - sustainability through reform (Caring for Ayrshire)	Treat
674	Service / business interruption – General Practice Sustainability	Treat
703	Financial – Financial Outturn	Treat
742	Adverse Publicity/Reputation - Provision of Data and Intelligence for the purposes of Planning	Treat
764	Patient experience / outcome - registrant workforce supply and capacity	Treat
767	Patient Experience/ Outcome - Emergency Department Crowding	Treat
787	Patient/Service User Experience and Outcome - CYP Speech and Language Therapy	Treat
811	Service / Business Interruption – Inability to deliver core/optimal IPCT Service	Treat
821	Patient Experience / Outcome - Failure of Digital Services Across Ayrshire and Arran	Treat
884	Injury (physical and psychological) to patients/staff - Failure to provide effective surveillance of infections	Treat
885	Patient experience / outcome – medical workforce supply and capacity	Treat
921	Objectives/projects - Ventilation Systems within the Oncology Ward at UHC	Treat

Appendix 3 – Review timetable 2026/27

Review	Start fieldwork	Complete fieldwork	Draft Report	Management Response	Final Report	ARC meeting
A.2 Strategic and Operational Planning	Aug 2026	Aug 2026	Sep 2026	Sep 2026	Oct 2026	Nov 2026
B.3 Financial Sustainability	Oct 2026	Oct 2026	Nov 2026	Nov 2026	Dec 2026	Jan 2027
B.4 Payroll	Feb 2027	Feb 2027	Mar 2027	Mar 2027	Apr 2027	May 2027
C.1 Delayed Discharges	Jul 2026	Aug 2026	Sep 2026	Sep 2026	Oct 2026	Nov 2026
C.2 Waiting List Management	Sep 2026	Oct 2026	Oct 2026	Nov 2026	Nov 2026	Jan 2027
C.5 Significant Adverse Events Management	Jul 2026	Jul 2026	Aug 2026	Sep 2026	Sep 2026	Nov 2026
D.1 Staff Wellbeing	Nov 2026	Nov 2026	Dec 2026	Jan 2027	Jan 2027	Mar 2027
E.1 Fair Warning System	Feb 2027	Feb 2027	Mar 2027	Mar 2027	Apr 2027	May 2027
F.1 Property Transaction Monitoring	Jun 2026	Jun 2026	Jul 2026	Jul 2026	Aug 2026	Sep 2026
F2. Follow up - Q1			n/a			Jun 2026
F2. Follow up - Q2			n/a			Sep 2026
F2. Follow up - Q3			n/a			Nov 2026
F2. Follow up - Q4			n/a			Mar 2027
G.6 Annual internal audit report			n/a			May 2027

Appendix 4 – Internal audit universe

Auditable area	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Comments
Corporate							
Strategic Planning				X			Key risk area in respect of wider remobilisation and recovery activity.
Operational Planning				X			Key risk area in respect of wider remobilisation and recovery activity.
Performance Management and Reporting	X					X	Key risk area in respect of wider remobilisation and recovery activity.
KPI Setting and Monitoring	X						Key risk area in respect of wider remobilisation and recovery activity.
Remobilisation / Recovery		X					Key risk area in respect of wider remobilisation and recovery activity.
Whistleblowing				X			Key risk area from audit needs assessment.
Risk Management		X				X	Fundamental in ensuring achievement of organisational objectives.
Risk Strategy and Appetite		X					
Stakeholder Engagement							Not identified as a priority area for audit. Potential to revisit if risk profile increases.
Partnership Working			X				Key risk area in ensuring success of the organisation. Covered through IJB and Strategic/Op Planning audit.

Auditable area	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Comments
Estate Management							<i>Not identified as a priority area for audit. Potential to revisit if risk profile increases.</i>
Health and Safety			X			X	<i>The 2028/29 review will serve as a follow to the 2025/26 audit.</i>
Service Level Agreements						X	<i>Key risk area from audit needs assessment.</i>
Energy & Utilities Management							<i>Not identified as a priority area for audit. Potential to revisit if risk profile increases.</i>
Environmental Sustainability		X					<i>Not identified as a priority area for audit. Potential to revisit if risk profile increases.</i>
Service Redesign	X	X	X				<i>Key risk area. Covered through reviews of Strategic / Op Planning, Patient Flow Management and Waiting List Management.</i>
Finance							
Budget Setting and Monitoring	X	X	X	X			<i>Key risk area in context of reduced funding environment. Covered in Financial Management reporting in Y1, CRES follow up audit in Y3 and Financial Management and Reporting in Y4.</i>
Non-Pay Expenditure			X				<i>Key risk area due to challenging external economic conditions.</i>
Accounts Payable			X				<i>Key risk area due to external economic conditions. Covered as part of Financial Controls (Non-Pay) audit.</i>

Auditable area	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Comments
Income							<i>Not identified as a priority area for Internal Audit due to predominately SG funding. Reviewed annually by External Audit.</i>
Accounts Receivable							<i>Not identified as a priority area for Internal Audit due to predominately SG funding. Reviewed annually by External Audit.</i>
Investment Management							<i>Not identified as a priority for Internal Audit</i>
Efficiency Targets and Savings	X	X	X	X			<i>Key risk area in context of reduced funding environment. Covered in audit of Financial Management and Reporting in Y1 and Y4, and CRES follow up audit in Y3.</i>
Financial Planning	X	X	X	X			<i>Key risk area in context of reduced funding environment. Covered in audit of Financial Management and Reporting in Y1 and Y4, and CRES follow up audit in Y3.</i>
Financial Reporting	X	X	X		X		<i>Key risk area in context of reduced funding environment. Covered in audit of Financial Management and Reporting in Y1 and Y4, and CRES follow up audit in Y3.</i>
Financial Sustainability				X			<i>Key risk area in context of reduced funding environment.</i>
Capital Planning							<i>Reviewed annually by External Audit. Not identified as a priority area for Internal Audit.</i>

Auditable area	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Comments
Cashflow Management							<i>Reviewed annually by External Audit. Not identified as a priority area for Internal Audit.</i>
Treasury Policies and Procedures							<i>Reviewed annually by External Audit. Not identified as a priority area for Internal Audit.</i>
Intangible Assets							<i>Reviewed annually by External Audit. Not identified as a priority area for Internal Audit.</i>
Lease Contract Management							<i>Reviewed annually by External Audit. Not identified as a priority area for Internal Audit.</i>
Ledger Management							<i>Reviewed annually by External Audit. Not identified as a priority area for Internal Audit.</i>
Bank & Control Account Reconciliations							<i>Reviewed annually by External Audit. Not identified as a priority area for Internal Audit.</i>
Patient Funds							<i>Reviewed annually by External Audit. Not identified as a priority area for Internal Audit.</i>
Payroll				X			<i>Key risk area from audit needs assessment.</i>
Starters and Leavers				X			<i>Reviewed annually by External Audit. Not identified as a priority area for Internal Audit.</i>
Time Recording							<i>Reviewed annually by External Audit. Not identified as a priority area for Internal Audit.</i>
Travel & Subsistence							<i>Reviewed annually by External Audit. Not identified as a priority area for Internal Audit.</i>
Procurement & Tendering						X	<i>Key risk area from audit needs assessment.</i>

Auditable area	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Comments
Property, Plant and Equipment							<i>Reviewed annually by External Audit. Not identified as a priority area for Internal Audit.</i>
Clinical Care and Governance							
Infection Control	X						<i>Key risk area from audit needs assessment.</i>
Prescribing							<i>Not identified as a priority area for audit. Potential to revisit if risk profile increases.</i>
Pharmacy Stock Management			X				<i>Risk area for health board in context of need to manage prescribing costs and ensuring safe and secure management of medicines.</i>
Incident / SAE Management				X			<i>Key risk area from audit needs assessment.</i>
Duty of Candour							<i>Not identified as a priority area for audit. Potential to revisit if risk profile increases.</i>
Patient Transport							<i>Not identified as a priority area for audit. Potential to revisit if risk profile increases.</i>
Waiting List Management	X	X	X	X	X	X	<i>The 2026/27 review will be covered by our review of MSK services.</i>
Portering							<i>Not identified as a priority area for audit. Potential to revisit if risk profile increases.</i>
Theatre Utilisation							<i>Not identified as a priority area for audit. Potential to revisit if risk profile increases.</i>
Catering							<i>Not identified as a priority area for audit. Potential to revisit if risk profile increases.</i>

Auditable area	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Comments
Public Protection Arrangements				X			Key risk area from audit needs assessment.
Safeguarding							Not identified as a priority area for audit. Potential to revisit if risk profile increases.
Delayed Discharge / Discharge Planning		X		X			Key risk area and contributor to remobilisation.
Full Capacity Protocol					X		Key risk area from audit needs assessment.
Patient Flow Management		X					Key risk area from audit needs assessment.
Care Home Discharges		X					Key risk area from audit needs assessment.
Public Health Screening							Not identified as a priority area for audit. Potential to revisit if risk profile increases.
Enhanced GP Provision		X					Key risk area from audit needs assessment
Medicines Governance							Not identified as a priority area for audit. Potential to revisit if risk profile increases.
Admissions Process		X					Not identified as a priority area for audit. Potential to revisit if risk profile increases.
Mental Health Waiting Times			X				Key risk area from audit needs assessment.
NMC Referrals							Not identified as a priority area for audit. Potential to revisit if risk profile increases.
Hospital Standardised Mortality Ratios							Not identified as a priority area for audit. Potential to revisit if risk profile increases.
Review of Patient Results							Not identified as a priority area for audit. Potential to revisit if risk profile increases.

Auditable area	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Comments
Medicines Reconciliation in Hospital							<i>Not identified as a priority area for audit. Potential to revisit if risk profile increases.</i>
Freedom of Information							<i>Not identified as a priority area for audit. Potential to revisit if risk profile increases.</i>
Governance Structures							<i>Not identified as a priority area for audit. Potential to revisit if risk profile increases.</i>
Board & Committee Evaluation							<i>Not identified as a priority area for audit. Potential to revisit if risk profile increases.</i>
Members Policies and Training							<i>Not identified as a priority area for audit. Potential to revisit if risk profile increases.</i>
UK Bribery Act							<i>Not identified as a priority area for audit. Potential to revisit if risk profile increases.</i>
Records Management							<i>Not identified as a priority area for audit. Potential to revisit if risk profile increases.</i>
Internal and External Comms							<i>Not identified as a priority area for audit. Potential to revisit if risk profile increases.</i>
Staff Governance							
Staff Performance Management			X			X	<i>The 2028/29 review will be a follow up of the 2025/26 audit.</i>
Staff Wellbeing				X			<i>Key risk area from audit needs assessment.</i>
Absence Management		X				X	<i>Key risk area from audit needs assessment.</i>
Promoting Attendance		X				X	<i>Key risk area from audit needs assessment.</i>

Auditable area	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Comments
Appeals & Disciplinary Procedures			X				<i>Covered in audit of Staff Performance Management.</i>
People Management			X				<i>Covered in audit of Staff Performance Management.</i>
Recruitment and Retention							<i>Not identified as a priority area for audit.</i>
Staff Rostering	X				X		<i>Key risk area from audit needs assessment.</i>
Training & Development					X		<i>Not identified as a priority area for audit. Potential to revisit of risk profile increases.</i>
Use of Agency Staff / Locums	X						<i>Key risk area from audit needs assessment. Covered in audit of Nurse Rostering.</i>
Workforce Planning	X						<i>Key risk area from audit needs assessment. Covered in audit of Nurse Rostering.</i>
IT and Information Governance							
Business Continuity		X					<i>Key risk area from audit needs assessment.</i>
IT Disaster Recovery		X					<i>Key risk area from audit needs assessment.</i>
eHealth / Digital Strategy	X	X	X				<i>Key risk area from audit needs assessment – elements covered in aspects of IT audit programme.</i>
Cyber Security			X			X	<i>Key risk area from audit needs assessment.</i>
Data / Records Management			X	X			<i>Key risk area from audit needs assessment. Covered in audit of Information Governance in 2025/26 and Fair Warning system in 2026/27.</i>

Auditable area	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Comments
ICT Project Management							<i>TBC as part of 2026/27 audit needs assessment</i>
ICT Service Management							<i>TBC as part of 2026/27 audit needs assessment</i>
Compliance and Regularity							
Property Transaction Management	X	X	X	X	X	X	<i>As per statutory requirements.</i>

Appendix 5 – Internal Audit Charter

Purpose

The purpose of the internal audit function is to strengthen NHSAA's ability to create, protect, and sustain value by providing those charged with governance (hereafter referred to as the Audit and Risk Committee) and the Audit and Risk Committee and senior management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The internal audit function enhances NHSAA's:

- Successful achievement of its objectives
- Governance, risk management, and control processes
- Decision-making and oversight
- Reputation and credibility with its stakeholders
- Ability to serve the public interest.

NHSAA's internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with the IIA's Global Internal Audit Standards, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the Audit and Risk Committee; and
- Internal auditors are free from undue influence and committed to making objective assessments.

Commitment to Adhering to the Global Internal Audit Standards

Azets internal auditors will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. The Chief Audit Executive will report periodically to the Audit and Risk Committee and senior management regarding the internal audit function's conformance with the Standards, which will be assessed our Quality Assurance and Improvement Programme.

Mandate

Authority

The NHSAA Audit and Risk Committee grants the internal audit function the mandate to provide the Audit and Risk Committee and senior management with objective assurance, advice, insight, and foresight.

The internal audit function's authority is created by its direct reporting relationship to the Audit and Risk Committee. Such authority allows for unrestricted access to the Audit and Risk Committee.

The Audit and Risk Committee authorises the internal audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.

Independence, Organisational Position and Reporting Relationships

The Chief Audit Executive should be positioned at a level in the organisation that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function.

The Chief Audit Executive will report functionally to the Audit and Risk Committee and administratively (for example, day-to-day operations) to the Director of Finance. This positioning provides the organisational authority and status to bring matters directly to senior management and escalate matters to the Audit and Risk Committee, when necessary, without interference and supports the internal auditors' ability to maintain objectivity.

The Chief Audit Executive will confirm to the Audit and Risk Committee, at least annually, the organisational independence of the internal audit function. The Chief Audit Executive will disclose to the Audit and Risk Committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfil its mandate.

Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the Chief Audit Executive, Audit and Risk Committee, and senior management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards
- A significant acquisition or reorganisation within the organisation
- Significant changes in the Chief Audit Executive, Audit and Risk Committee, and/or senior management
- Significant changes to the organisation's strategies, objectives, risk profile, or the environment in which the organisation operations
- New laws or regulations that may affect the nature and/or scope of internal audit services.

Audit and Risk Committee Oversight

To establish, maintain, and ensure that NHSAA's internal audit function has sufficient authority to fulfil its duties, the Audit and Risk Committee will:

- Discuss with the Chief Audit Executive and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function
- Ensure the Chief Audit Executive has unrestricted access to and communicates and interacts directly with the Audit and Risk Committee, including in private meetings without senior management present
- Approve the internal audit function’s charter, which includes the internal audit mandate and the scope and types of internal audit services
- Review the internal audit charter annually with the Chief Audit Executive to consider changes affecting the organisation such as changes in the type, severity, and interdependencies of risks to the organisation; and approve the internal audit charter annually
- Approve the risk-based strategic and annual internal audit plan
- Approve the budget for internal audit services
- Collaborate with senior management to determine the qualifications and competencies the organisation expects in a Chief Audit Executive, as described in the Global Internal Audit Standards
- Review the performance of the internal audit service
- Receive communications from the Chief Audit Executive about the internal audit function, including its performance relative to its plan
- Receive communications from the Chief Audit Executive about the results of internal audit’s quality assurance and improvement programme
- Make appropriate inquiries of senior management and the Chief Audit Executive to determine whether scope or resource limitations are inappropriate.

The Audit and Risk Committee meets six times a year, normally in January, March, May, June September and November. Dates for Audit and Risk Committee meetings will be provided to internal audit as soon as they are agreed.

The Chief Internal Auditor and/ or Internal Audit Director will attend all meetings of the Audit and Risk Committee. Internal audit will schedule its work so as to spread internal audit reports reasonably evenly over Audit and Risk Committee meetings. The annual internal audit plan will detail the internal audit reports to be presented to each Audit and Risk Committee meeting. The internal auditor will generally present specific reports to the committee as follows:

Output	Meeting
Annual internal audit plan	March
Follow-up report	May, September, November and March
Annual report	May
Progress report	All meetings

Chief Audit Executive Roles and Responsibilities

Ethics and Professionalism

Azets commits to:

- Conforming with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality
- Understanding, respecting and meeting the legitimate and ethical expectations of the organisation and be able to recognise conduct that is contrary to those expectations
- Encouraging and promoting an ethics-based culture in the organisation
- Reporting organisational behaviour that is inconsistent with the organisation's ethical expectations, as described in applicable policies and procedures.

Objectivity

The Chief Audit Executive will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the Chief Audit Executive determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment.

Where members of the internal audit function are involved, or should become involved, in management or decision-making activities, the Chief Audit Executive will ensure appropriate safeguards are in place to limit the threat to independence and objectivity.

Internal auditors will:

- Exhibit professional objectivity in gathering, evaluating, and communicating information
- Make balanced assessments of all available and relevant facts and circumstances
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Managing the Internal Audit Function

The Chief Audit Executive has the responsibility to:

- Develop a risk-based strategic internal audit plan and, at least annually, develop an annual internal audit plan that considers the input of the Audit and Risk Committee and senior management. Discuss the plans with the Audit and Risk Committee and senior management and submit the plan to the Audit and Risk Committee for review and approval
- Review and adjust the internal audit plan, as necessary, in response to changes in NHSAA's business, risks, operations, programmes, systems, and controls
- Communicate with the Audit and Risk Committee and senior management if there are significant interim changes to the internal audit plan
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the Audit and Risk Committee and senior management as appropriate
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, resources and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfil the internal audit mandate
- Identify and consider trends and emerging issues that could impact NHSAA and communicate to the Audit and Risk Committee and senior management as appropriate
- Establish and ensure adherence to methodologies designed to guide the internal audit function
- Ensure adherence to NHSAA's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the Audit and Risk Committee and senior management.

An assignment plan will be drafted prior to the start of every assignment setting out the scope, objectives, timescales and key contacts for the assignment. Specifically, the assignment plan will detail the timescales for carrying out the work, issuing the draft report, receiving management responses and issuing the final report. The assignment plan will also include the name of the staff member who will be responsible for the audit (review sponsor) and the name of any key staff members to be contacted during the review (key audit contact). The assignment plan will be agreed with the review sponsor and the key audit contact (for timings) before the review starts.

Communication with the Audit and Risk Committee and Senior Management

The Chief Audit Executive will report periodically to the Audit and Risk Committee and senior management regarding:

- The internal audit function's mandate

- The internal audit plan and performance relative to its plan, including any significant revisions to the internal audit plan
- Potential impairments to independence, including relevant disclosures as applicable
- Results from the quality assurance and improvement programme and action plans to address any deficiencies and opportunities for improvement
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Audit and Risk Committee
- Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond NHSAA's risk appetite
- Results of assurance and advisory services
- Internal audit budget and resource requirements.

A written report will be prepared and issued by the Chief Audit Executive or designee following the conclusion of each internal audit engagement and will be distributed to the review sponsor and key contacts identified in the assignment plan for management responses and comments.

Draft reports will be issued by email within 10 working days of fieldwork concluding. The covering email will specify the deadline for management responses, which will normally be within a further 10 days. The management comments and response to any report will be overseen by the review sponsor. Internal Audit will make time after issuing the draft report to discuss the report and, if necessary, meet with the review sponsor and/or key contact to ensure the report is factually accurate and the agreed actions are clear, practical, achievable and valuable.

The internal auditors will issue the final report to the review sponsor. The final report will be issued within 5 working days of the management responses being received. Finalised internal audit reports will be presented to the Audit and Risk Committee. Finalised internal audit outputs must be in the hands of the Committee Administrator by prescribed dates annually.

Quality Assurance and Improvement Programme

Azets has in place a quality assurance and improvement programme that covers all aspects of the internal audit function. The programme includes external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement.

Annually, the Chief Audit Executive will communicate with the Audit and Risk Committee and senior management about the internal audit function's quality assurance and improvement programme, including the results of internal assessments and external assessments. External assessments are conducted at least once every five years by a qualified, independent assessor.

Scope and Types of Internal Audit Services

The scope of internal audit services covers the entire breadth of the organisation, including all NHSAA's activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Audit and Risk Committee and management on the adequacy and effectiveness of governance, risk management, and control processes for NHSAA.

Internal audit are available as a resource to investigate / assist management in responding to suspected or actual fraud.

Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of NHSAA's strategic objectives are appropriately identified and managed
- The actions of NHSAA's officers, directors, management, employees, and contractors or other relevant parties comply with NHSAA's policies, procedures, and applicable laws, regulations, and governance standards
- The results of operations and programmes are consistent with established goals and objectives
- Operations and programmes are being carried out effectively and efficiently
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact NHSAA
- The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

Appendix 6 – Summary of changes between January and March 2026

Audit Area	Initial planned timing per Jan 2026 draft plan	Updated timing per this draft	Comments
A.1 Whistleblowing	2026/27	2027/28	De-prioritised to accommodate A.2 below in 2026/27.
A.2 Operational Planning	2027/28	2026/27	Brought forward given planned audit of Strategic and Operational planning now deferred for 2025/26.
B.1 Procurement	2026/27	2028/29	De-prioritised to bring forward planned audit of Payroll to 2026/27.
B.2 Financial Management and Reporting	2026/27	2027/28	De-prioritised to accommodate B.3 below in 2026/27.
B.3 Financial Sustainability	2027/28	2026/27	Brought forward following feedback from ARC in Jan 2026.
B.4 Payroll	2028/29	2026/27	Brought forward following feedback from ARC in Jan 2026.
C.3 Public Protection	2026/27	2027/28	De-prioritised in 2026/27 in favour of C.5 below.
C.5 Significant Adverse Events Management	2027/28	2026/27	Brought forward following feedback from ARC in Jan 2026.

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