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Bae Abertawe  
Swansea Bay University  
Health Board



<b>Meeting Date</b>	<b>15<sup>th</sup> July 2019</b>	<b>Agenda Item</b>	<b>3a</b>
<b>Report Title</b>	<b>Internal Audit Progress Report</b>		
<b>Report Author</b>	Neil Thomas, Deputy Head of Internal Audit, NWSSP A&A Huw Richards, Deputy Director, NWSSP A&A (SSu)		
<b>Report Sponsor</b>	Paula O'Connor, Head of Internal Audit, NWSSP A&A		
<b>Presented by</b>	Neil Thomas, Deputy Head of Internal Audit, NWSSP A&A Huw Richards, Deputy Director, NWSSP A&A (SSu)		
<b>Freedom of Information</b>	Open		
<b>Purpose of the Report</b>	The main purpose of this report is to report progress in delivering agreed audit work.		
<b>Key Issues</b>	<p>The report presents:</p> <ul style="list-style-type: none"> <li>• Progress in respect of the planning &amp; delivery of assignments agreed within the annual operational audit plan 2019/20.</li> <li>• The finalisation of the last assignments remaining from the 2017/18 audit plan.</li> <li>• The audit assurance ratings of finalised reports.</li> </ul>		
<b>Specific Action Required</b> <i>(please ✓ one only)</i>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>
	✓		
<b>Recommendations</b>	<p><b>Members are asked to:</b></p> <ul style="list-style-type: none"> <li>• <b>Note the progress of the internal audit programme of work.</b></li> </ul>		



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## **INTERNAL AUDIT PROGRESS REPORT**

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**Swansea Bay University Health Board  
Audit Committee  
15<sup>th</sup> July 2019**

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**NHS Wales Shared Services Partnership  
Audit and Assurance Services**



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

## 1 INTRODUCTION

1.1 The main purpose of this report is to:

- Report finalisation of work in the agreed 2018/19 audit plan
- Report progress of work within the agreed 2019/20 audit plan

Additionally, it reflects on support provided to management and Board members and updates the Committee on developments within the internal audit service.

1.2 The report records progress of general (section 2) and specialist (section 3) internal audit work at the end of June 2019.

## 2 GENERAL INTERNAL AUDIT SERVICES

### 2.1 FINALISATION OF THE 2018/19 (GENERAL) INTERNAL AUDIT PLAN

2.1.1 The final reports below bring the audit work agreed under the 2018/19 plan to a close:

Ref	Subject	Rating <sup>1</sup>	Executive Officer Recipient(s)	Receiving C'ttee(s)
1819-018	Payroll Local: Radiology Overtime		COO	AC
1819-040	Estates MRI Planet IT Application System		COO	AC

### 2.2 PROGRESS OF THE 2019/20 (GENERAL) INTERNAL AUDIT PLAN

2.2.1 The 2019/20 Internal Audit Plan was agreed by the Audit Committee in March 2019. It will remain flexible during the year to ensure the content remains appropriate and timing of fieldwork is agreed with lead Executive Directors. Following preliminary planning we drafted a schedule of indicative audit timings and shared this with the lead Executive Directors and Chief Executive for consideration in May 2019. Few queries have been received, but where queries have been raised we are progressing them currently. The schedule has been included as part of our first routine Executive Board update report in July. A table presenting the subjects within the plan, lead Executive Directors and indicative timings is attached at **Appendix A**. Timings will be subject to change as briefs are agreed with leads. Work is already in progress, and where assignments have commenced this has been reflected in the table.

2.2.2 We have issued the following Final report for consideration by the Committee:

<sup>1</sup> Definitions of assurance ratings are included within Appendix B to this report.

Ref	Subject	Rating <sup>2</sup>	Executive Officer Recipient(s)	Receiving C'ttee(s)
1920-005	HTA Mortuary (Interim Report)	n/a	COO	AC, QSC
1920-017	Annual Quality Statement	n/a	DON&PE	AC, QSC
1920-024	Medicines Management		COO	AC

Our report on *HTA Mortuary* presents an interim position and recommendations aimed at addressing issues highlighted by management's own self-assessment of compliance with the Human Tissue Act in the Health Board's mortuaries. Action was agreed in advance of an external inspection from the Human Tissue Authority. An audit rating was not assigned following this interim work, but further Internal Audit work will be scheduled later this year.

The review of the *Annual Quality Statement (AQS)* aimed to highlight issues in the draft AQS and recommend improvements prior to its publication by the Health Board. We did not undertake to provide an assurance opinion in respect of the final AQS; however, by making audit recommendations and comments directly to management ahead of publication, we provided opportunities to improve the AQS content, would support management assurance in respect of the same.

2.2.3 In addition to the above, we have issued Draft reports on the following:

- 019 Infection Control
- 021 WHO Checklist
- 034 Unit Governance: MH&LD
- 041 Nurse Staffing Levels (Wales) Act

2.2.4 Work is in progress in respect of:

- 035 Morriston Hospital: Cardiac Services
- 037 HSDU
- 038 Patient Environment

2.2.5 In addition to the above, the development and issue of audit briefs for upcoming work is ongoing. As part of this we are endeavouring to work with Executive Directors to ensure that audit work is appropriately focused and timed. Noting the importance of the annual/IMTP planning process within the Health Board, we are liaising with the Director of Strategy, Director of Finance and Director of Transformation to discuss risks, scope and timing of our IMTP audit.

2.2.6 In June, one of our Principal Auditors commenced a period of unexpected long term sickness leave and treatment. We are already seeking to engage agency

<sup>2</sup> Definitions of assurance ratings are included within Appendix B to this report.

cover to meet the gap in resource and will adjust the schedule of audits with the agreement of Executive Leads where required.

## **2.3 ADDITIONAL WORK: FOLLOW UP REVIEWS, ADVICE & PROJECTS**

There are contingency days set aside within our Plan to provide for advice to individuals and groups, follow up work in response to audits reported in-year and other ad hoc tasks

### **2.3.1 Advice**

We continue to provide advice/support to management when requested, and share good practice guidance relevant to areas of Health Board business with Executives and senior management. Recent examples include:

- Private patient administration in NPTH
- Payroll certification in Cardiac Services (advice to NWSSP/SBU)
- Cyber security risk register treatment (sharing of others approaches)
- Waiting List Initiatives whilst on annual leave
- Retention of canteen till receipts

### **2.3.2 Board Engagement**

The Head of Internal Audit has continued to meet with members of the Board:

- Director of Corporate Governance
- Director of Nursing & Patient Experience

### 3 SPECIALIST SERVICES UNIT

#### 3.1 FINALISATION OF THE 2018/19 (CAPITAL AND ESTATES) DOMAIN

3.1.1 The following final reports have been issued since the last meeting:

Ref	Subject	Rating	Exec Officer Recipient(s)	Receiving Committee
SSu 1819 S05	Environmental Infrastructure Modernisation Programme		DOS	AC
SSu 1819 S06	Informatics Modernisation Programme		COO	AC
SSu 1819 S09	Safe Water Management		DON	AC/H&S

The key findings and conclusions are included within the separate Assignment Summary reports to this Committee.

3.1.2 Fieldwork is being concluded and a report prepared in respect of the Transitional Care Unit / Neonatal and Paediatrics Capacity project.

3.1.3 The audit fieldwork has now been re-initiated in respect of the ARCH Programme. This had previously been placed on hold (noting the ongoing discussions and the investigation taking place within Swansea University).

3.1.4 Fieldwork has also commenced in respect of the Primary & Community Care Infrastructure Projects review. This audit was deferred at management's request (for commencement post June 2019), noting projects would not have been sufficiently progressed during 2018/19.

3.1.5 The above assignments will form a part of the 2019/20 Head of Internal Audit Opinion.

#### 3.2 PROGRESSION OF THE 2019/20 CAPITAL AND ESTATES DOMAIN

3.2.1 Fieldwork is being concluded and reports being prepared in respect of the following assignments:

- Carbon Reduction Commitment (Mandated); and
- Sustainability (Mandated).

3.2.2 Fieldwork has commenced in respect of the Capital Systems: Financial Safeguarding assignment.

3.2.3 A final audit brief has been issued in respect of the Management of Contractors assignment.

3.2.4 Further details are available at Appendix A as applicable.

## **4 DEVELOPMENTS**

### **4.1 Handover of Care At Emergency Departments (Follow Up audit)**

In 2017/18, the Welsh Ambulance Services NHS Trust (WAST) commissioned a review of Handover of Care at Emergency Departments. The audit was undertaken by the NWSSP Audit & Assurance team serving that Trust and involved some fieldwork on Health Board (including former ABMU) premises. The recommendations following the audit required responses from both the Trust and the Health Boards that it supports.

WAST commissioned a follow up review of the original audit as part of its 2018/19 audit plan. The brief was discussed at the All Wales Board Secretaries Group and approved within ABMU Health Board by the Chief Operating Officer and Director of Corporate Governance. Fieldwork has concluded and a final report issued by the same NWSSP Audit & Assurance audit team that undertook the original review. The final report has been circulated to all Board Secretaries, and "future considerations" outlined in the report are being considered by the Chief Operating Officer and the Assistant Chief Operating Officer. An action plan will be developed with the aim of reporting to the next Audit Committee meeting.

## **5 ACTION**

### **5.1 The Audit Committee is asked to note progress so far with delivery of the 2019/20 audit plan.**

## INTERNAL AUDIT PROGRESS AGAINST PLAN

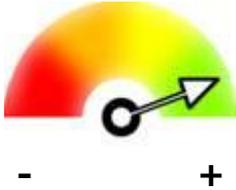
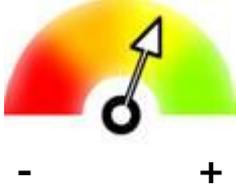
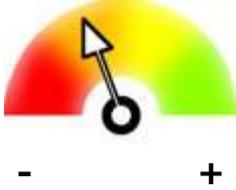
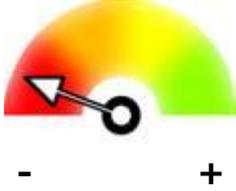
## APPENDIX A

Planned Output	Indicative audit start date	Indicative draft report date	Executive Lead
<b>Corporate governance, risk and regulatory compliance domain</b>			
HCS (mid year review)	Sep	Oct	DON&PE
Annual Governance Statement ( <i>commentary</i> )	Apr (2020)	May (2020)	DOCG
Risk Management & Board Assurance Framework	Dec	Feb	DOCG
Fraud, theft & corruption policy response plan	Nov	Dec	DOCG
HTA - Mortuary <i>Interim report issued</i>	Interim Report finalised April 2019		COO
HTA - Mortuary <i>Re-scheduled audit</i>	Oct	Dec	COO
Health & Safety	Nov	Jan	DON&PE
Fire Safety	Dec	Jan	DON&PE
<b>Strategic planning, performance management and reporting domain</b>			
Partnerships	Jul	Sep	DOS
IMTP	Sep	Oct	DOS+ADOP
Commissioning Healthcare Services	Aug	Oct	DOS
Performance management and reporting	Jan	Feb	ADOP+COO
Out of Hours services	Jul	Aug	COO
<b>Financial governance and management domain</b>			
Budgetary control & financial reporting	Oct	Dec	DOF
General Ledger	Sep	Nov	DOF
Welsh Risk Pool Claims	Oct	Nov	DON+DOF
Procurement & Tendering	Jul	Aug	DOF
<b>Clinical governance, quality &amp; safety domain</b>			
Annual Quality Statement	FINAL report issued Jun 2019		DON
Clinical Governance / Clinical Services Plan	Jul	Sep	COO
Infection Control	DRAFT report issued Jun 2019		DON
Falls	Planning	Jul	DON
WHO checklist	DRAFT report issued Jun 2019		EMD
Medical equipment and devices	Planning	Jul	EMD
DoLS	Jul	Sep	DON
Medicines Management (incl CDs & incidents)	 FINAL report issued Jun 2019		EMD
Discharge Planning (cfwd 17&18)	Nov	Jan	DON
Mortality Reviews	Jul	Sep	EMD
Nursing Quality Assurance Checks (Follow up review)	Sep	Nov	DON
<b>Information governance &amp; security</b>			
Discharge summaries	Oct	Dec	EMD
IT Application Systems	Aug	Oct	CIO
IT Infrastructure Assets (Follow up)	Sep	Nov	CIO

Planned Output	Indicative audit start date	Indicative draft report date	Executive Lead
IT Digital Strategy /Clinical Information Reporting	Oct	Dec	CIO
<b>Operational service and functional management domain</b>			
HR&OD Directorate	Oct	Nov	DOWOD
Primary Care and Community Services Unit	Jul	Sep	COO
Mental Health & Learning Disabilities	DRAFT report issued June 2019		COO
Morrison Hospital – Cardiac Services	Work started	Aug	COO
Continuing Health Care (Integrated Care Fund)	Aug	Oct	COO
H.S.D.U	Work started	Jul	COO
Patient environment	Internal QA stage	Jun	COO
<b>Workforce management domain</b>			
Workforce & Organisational Development Framework	Sep	Nov	DOWOD
Consultant Contract / Job Planning	Dec	Feb	EMD
Nurse Staffing Levels	DRAFT report issued Jun 2019		DON
DBS checking	Aug	Oct	DOWOD
Nurse Rostering	Oct	Dec	DON
Locum on Duty	Nov	Jan	EMD
<b>Capital and Estates domain</b>			
Estates Assurance: Safe Water Management <i>c/fwd 18/19</i>		Final report issued May 2019	DON
Informatics Modernisation Programme <i>c/fwd 18/19</i>		Final report issued June 2019	COO
Capital Projects: Environmental / Infrastructure Modernisation Programme <i>c/fwd 18/19</i>		Final report issued June 2019	DOS
Capital Projects: Transitional Care Unit/Neonatal and Paediatrics Capacity <i>c/fwd 18/19</i>	Mar 2019	Jul 2019	DOS
Major Strategic Investment Programmes: ARCH Programme <i>c/fwd 18/19</i>	Jul 2019	Sept 2019	DOS
Capital Projects: Primary and Community Care Infrastructure Projects <i>c/fwd 18/19</i>	Jul 19	Sep 2019	DOS
Environmental Sustainability Report	May 2019	Jul 2019	COO
Carbon Reduction Commitment	Jun 2019	Jul 2019	COO
Capital Systems – Financial Safeguarding	Jul 2019	Sep 2019	COO
Estates Assurance: Management of Contractors	Jul 2019	Sep 2019	COO
Singleton Hospital Replacement Cladding	Oct 2019	Dec 2019	DOS
Primary and Community Care Infrastructure Projects	Jan 2020	Mar 2020	DOS
Environmental / Infrastructure Modernisation Programme	Jan 2020	Mar 2020	DOS
Informatics Modernisation Programme	Jan 2020	Mar 2020	COO
Follow up (Estates Assurance)	Feb 2020	Mar 2020	DOS / COO
Follow up (Capital)	Feb 2020	Mar 2020	DOS

**ASSURANCE RATINGS**

**APPENDIX B**

RATING	INDICATOR	DEFINITION
Substantial assurance	 <p data-bbox="443 680 647 748">- Green +</p>	<p>The Board can take <b>substantial assurance</b> that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with <b>low impact on residual risk</b> exposure.</p>
Reasonable assurance	 <p data-bbox="443 1016 647 1084">- Yellow +</p>	<p>The Board can take <b>reasonable assurance</b> that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with <b>low to moderate impact on residual risk</b> exposure until resolved.</p>
Limited assurance	 <p data-bbox="443 1375 647 1442">- Amber +</p>	<p>The Board can take <b>limited assurance</b> that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention with <b>moderate impact on residual risk</b> exposure until resolved.</p>
No assurance	 <p data-bbox="443 1733 647 1800">- Red +</p>	<p>The Board has <b>no assurance</b> that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Action is required to address the whole control framework in this area with <b>high impact on residual risk</b> exposure until resolved.</p>