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WALES

Bwrdd Iechyd Prifysgol
Abertawe Bro Morgannwg
University Health Board



Meeting Date	21st March 2019		Agenda Item	2a
Report Title	Audit Registers and Action Plans			
Report Author	Michael Kenealy, Finance Manager, Accounting & Governance			
Report Sponsor	Pamela Wenger, Director of Corporate Governance Finance			
Presented by	Andrew Biston, Head of Accounting & Financial Governance			
Freedom of Information	Closed			
Purpose of the Report	<p>To provide summary extracts of the Audit Registers for the Health Board which have been developed to monitor:</p> <p>Delivery of the Audit Plans; Receipt of draft and final reports; and Health Board management responses to audit reports</p> <p>To monitor the status of agreed audit recommendations.</p>			
Key Issues	<p>The Audit Registers have been fully updated as at 22nd February 2019, these show when reports were expected by the Health Board, as set out in the original audit plans, the dates they were received and whether management responses were made on a timely basis.</p> <p>There has been a decrease in the number of overdue recommendations during the period December 2018 to February 2019.</p>			
Specific Action Required (please ✓ one only)	Information	Discussion	Assurance	Approval
	✓			
Recommendations	<p>Members are asked to:</p> <ul style="list-style-type: none"> Note <p>The current position of the Audit Registers and the status of the Action Plans.</p>			

1.0 INTRODUCTION

1.1. This report provides the Audit Committee with summary extracts of the Audit Registers for the Health Board which have been developed to monitor: -

- Delivery of the Audit Plans;
- Receipt of draft and final reports; and
- Health Board management responses to audit reports

1.2. In addition, the status of agreed audit recommendations is monitored and included within this report.

2.0 BACKGROUND

2.1 A detailed review of the audit registers has been undertaken by the Head of Accounting & Financial Governance, Director of Corporate Governance and Head of Internal Audit focussing on the outstanding audit recommendations listed on the audit registers. This review identified outstanding actions which have been superseded by subsequent audit reports or are no longer valid and these have been removed from the audit registers. A similar review has also been undertaken with Wales Audit Office.

2.2 The reports remaining on the audit registers have been fully updated as at 22nd February 2019, and these show when reports were expected by the Health Board, as set out in the original audit plans, the dates they were received and whether management responses were made on a timely basis. Updates made to the audit registers after 22nd February are not reflected in this report and so there may be differences between the outstanding actions reported in this report and that reported in the separate update by the Director of Strategy.

2.3 The deadline for updating progress on Action Plans was 22nd February 2019. Summary extracts for both internal and external audit are set out in the sections below:

External Audit Register (2017 Work) (Appendix A)

Delivery of the 2017 plan is summarised below:

- **Financial Accounts Work (2017/18):** All work is now complete.
- **Performance Work:**
 - Cross Sector Thematic – Intermediate Care Fund: local findings reported to the RPB on 30th October 2018. National report anticipated in early 2019 with the report expected to be issued to Audit Committee in May 2019.

External Audit Register (2018 Work) (Appendix B)

Delivery of the 2018 plan is summarised below:

- **Financial Accounts Work (2018/19):** Main accounts work has commenced in January and is planned to run until June 2019. The Charitable Funds Audit is planned for September 2019.
- **Performance Work:**
 - NHS Structured Assessment (2018): All work is now complete.
 - Clinical coding follow-up (all-Wales thematic review) : fieldwork concluded, the report is currently being drafted and is expected to be reported to Audit Committee in May 2019

Two further audits included in the 2018 audit plan are yet to commence. These include:

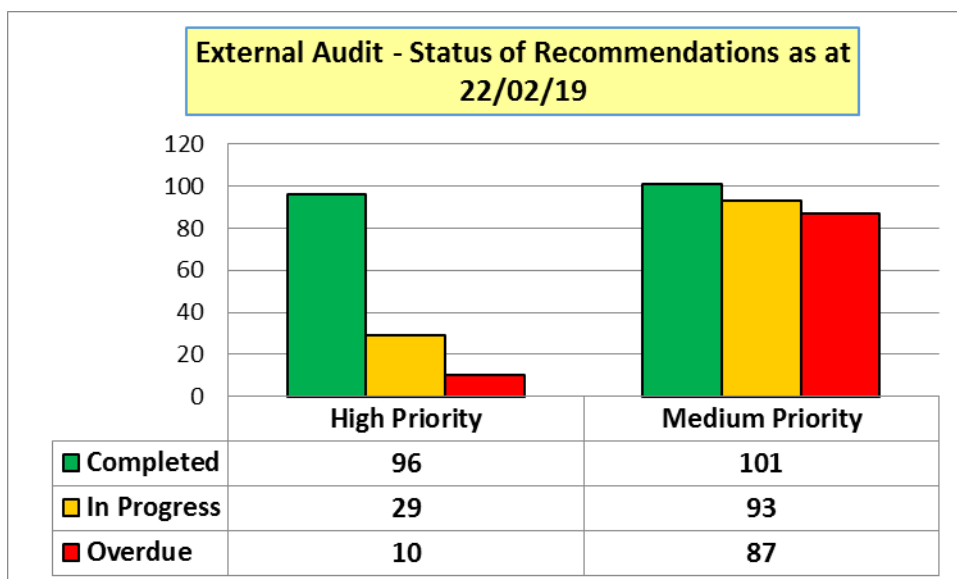
- Orthopaedic Services: Follow up (all-Wales thematic review 2018): terms of reference issued on 28th February 2019.
- Local audit project: Follow up review of consultant contract – scoping, fieldwork to take place in 2019. It must be noted that this audit substitutes a local waiting times follow up audit.

External Audit Action Plans

Action plans are all available on the Finance Portal through SharePoint for managers and executives to access and update throughout the year. Training has been provided to executives and named managers within the action plans. The deadlines for the reporting periods to the Executive Team and then onto Audit Committee are clearly set out within the file set up.

It should also be noted that the charts and tables within this report only include Audit reports relating to the 2017/18 and 2018/19 Audit Plans, unless there are recommendations that have not yet been reported as completed from previous years, and so these continue to be monitored this year, and reported to the Committee.

The status of external audit recommendations is shown in the chart below.



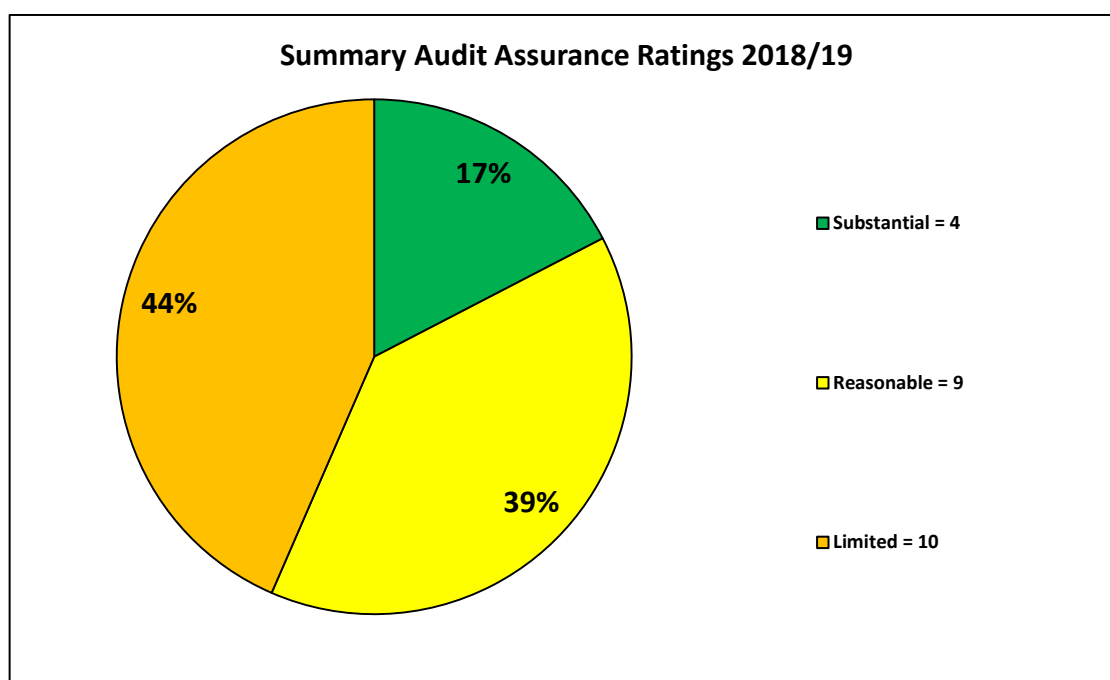
At this point, the overdue recommendations for external audit reports relate to:

Row Labels	Sum of High Priority Overdue	Sum of Medium Priority Overdue	Longest Overdue (Days) as at 27/08/2018	Longest Overdue (Days) as at 26/10/2018	Longest Overdue (Days) as at 28/12/2018	Longest Overdue (Days) as at 22/02/2019
Chief Operating Officer	2	18				
Review of Follow-up Outpatient Appointments	1	0	967	1030	1093	1149
A Comparative Picture of Local Orthopaedic Services	1	0	146	209	272	328
Radiology Service	0	4	297	360	423	479
Discharge Planning	0	14	232	240	303	359
Director of Corporate Governance	8	0				
Structured Assessment 2017	8	0			242	298
Director of Nursing	0	1				
Maternity Services Follow-up Review	0	1	420	483	546	602
Medical Director	0	68				
NHS Consultant Contract: Follow Up of Previous Audit Reco	0	68	541	604	667	723
Grand Total	10	87				

Taking into account noted revised target implementation dates, the table above would remain the same for high priority recommendations. The medium priority recommendations would reduce to 86, the reduction relating to Director of Nursing – Maternity Services Follow-up review. It must be noted that the consultant contract report recommendations reflect the fact that each recommendation has been replicated 6 times to reflect the 6 SDU's as requested by the former Medical Director. Consideration should be given to consolidating each of the 6 recommendations into 1 health board wide recommendation which is only marked as complete when all Unit Medical Directors have confirmed to the Executive Medical Director that they have completed the recommended actions.

NWSSP Audit & Assurance Audit Register 2018/19 (Appendix C)

As at 22nd February 2019, 25 final reports have been issued which included two reports without an assurance rating (Annual Quality Statement and Sickness Absence Management – Follow up review). The assurance ratings on the 23 reports are summarised in the chart below:

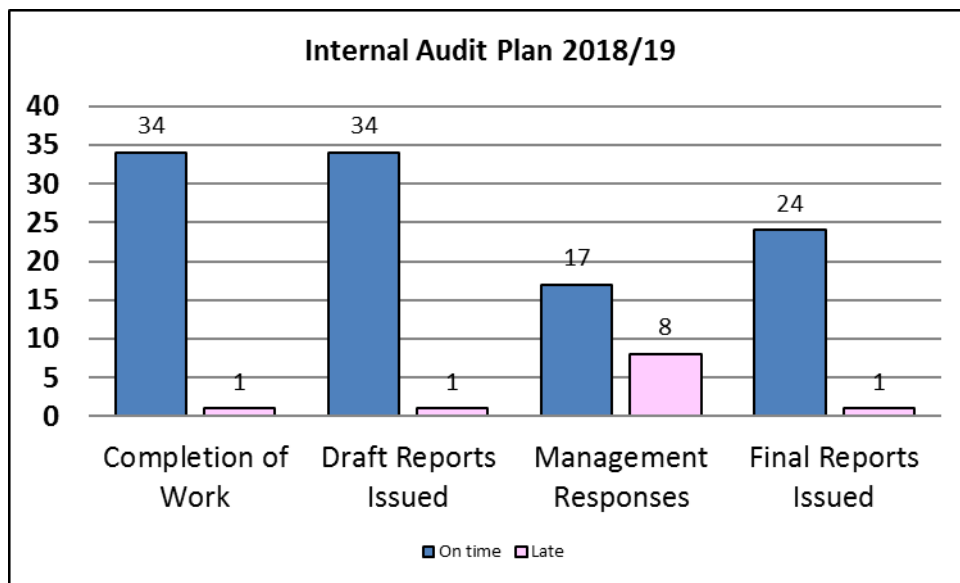


Key Performance Indicators

There are KPIs established for measuring the overall delivery of the audit plans which are set out below:

1. Completion of Work - Was the review work completed in the quarter planned?
2. Draft Reports Issued - Was the draft report received within 14 days of the review work being completed?
3. Management Responses - Were management responses received within 21 days of the draft report being issued?
4. Final Reports - Was the final report received within 14 days of management responses being received by NWSSP Internal Audit (including the completed Action Plan)?

The chart below summarises the position against the KPIs as at 22nd February 2019:



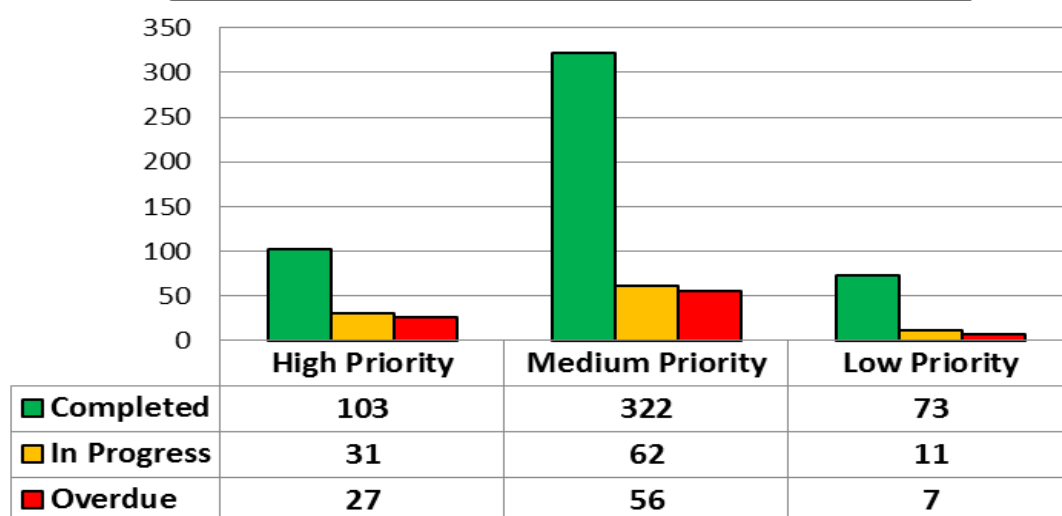
NWSSP Audit & Assurance Action Plans

Action plans are all available on the Finance Portal through SharePoint for managers and executives to access and update throughout the year. Training has been provided to executives and named managers within the action plans. The deadlines for the reporting periods to the Executive Team and then onto Audit Committee are clearly set out within the file set up.

It should also be noted that the charts and tables within this report only include Audit reports relating to the 2017/18 and 2018/19 Audit Plans, unless there are recommendations that have not yet been reported as completed from previous years, and so these continue to be monitored this year, and reported to the Committee.

The status of internal audit recommendations is shown in the chart below, this being based on the original date agreed for implementation of the agreed recommendation.

**Internal Audit - Status of Recommendations as at
22/02/19**



At this point, the overdue recommendations for internal audit reports relate to:

Row Labels	Sum of High Priority Overdue	Sum of Medium Priority Overdue	Sum of Low Priority Overdue	Audit Rating	Longest Overdue (Days) as at 27/08/18	Longest Overdue (Days) as at 26/10/18	Longest Overdue (Days) as at 28/12/18	Longest Overdue (Days) as at 22/02/19
Director of Strategy	1	8	1					
Capital Systems	0	0	1	Reasonable	23	86	143	199
Performance Management & Reporting	0	1	0	Reasonable	86	26	89	145
Capital Systems (Capital Equipment Replacement)	0	2	0	Reasonable	0	0	28	84
Strategy & Planning Directorate	1	5	0	Reasonable	0	0	28	84
Director of Corporate Governance	0	1	0					
Golau Governance Review (Follow Up)	0	1	0	Limited	0	0	0	114
Medical Director	10	7	3					
Junior Doctor Bandings	1	4	1	Limited	846	909	972	1028
Medical Appraisal to Support Revalidation Follow Up	2	0	0	Limited	693	756	819	875
Mortality Reviews follow up	0	0	2	Limited	146	209	272	328
Medical Devices & Equipment	1	0	0	Limited	212	275	338	394
Locum Medical Cover: Expenditure Control	3	2	0	Limited	176	239	302	358
Medical Devices & Equipment Follow Up	1	1	0	N/A	22	53	116	172
Mortality Review (Follow Up)	2	0	0	Limited	0	0	0	53
Chief Operating Officer	5	30	3					
Disability Discrimination	0	1	0	Reasonable	0	56	119	175
Performance Management	0	1	0	Reasonable	327	390	453	509
Dignity & Respect (Follow Up)	0	2	0	Reasonable	510	573	636	663
Security Framework (Follow Up)	0	1	0	Limited	236	299	362	418
Neath Port Talbot Operational PFI	0	5	0	Reasonable	0	0	0	449
Backlog Maintenance	1	2	1	Limited	24	87	150	206
MH&LD Governance	0	0	2	Reasonable	205	268	331	387
Data Quality: Mental Health Measures (Follow Up)	0	2	0	Reasonable	204	267	330	386
Primary Care: Core Quality & Delivery Measures	0	1	0	Reasonable	0	0	58	114
POWH Delivery Unit Governance Review	0	2	0	Limited	0	0	58	114
GP Managed Practice	1	2	0	Reasonable	0	42	105	161
Morriston Delivery Unit Governance Review	1	8	0	Reasonable	0	0	58	114
Delayed Follow Ups	2	3	0	Limited	0	0	58	114
Director Of Finance	0	1	0					
Funds Held on Trust - Part 2	0	1	0	Limited	24	26	89	145
Director of Human Resources	3	3	0					
Statutory & Mandatory Training Progress	0	2	0	Limited	296	329	392	448
Staff Performance Mgt & Appraisals	0	1	0	Limited	235	298	361	417
Sickness Absence Management: Follow Up	1	0	0	revised rating n/a	0	0	58	114
European Working Time Directive	2	0	0	Limited	205	55	118	174
Director of Public Health	0	1	0					
Vaccination & Immunisation	0	1	0	Limited	14	52	115	171
Director of Nursing	8	5	0					
Health & Safety - Primary Care Estates	0	2	0	Reasonable	0	0	0	206
Funded Placements in Non-NHS Settings Follow Up	4	0	0	Limited	358	421	484	540
DoLS Follow Up	3	2	0	Limited	0	0	89	145
Pressure Ulcers (Follow Up)	0	1	0	Reasonable	0	0	28	22
Fire Safety (Follow Up)	1	0	0	Limited	0	0	0	84
Grand Total	27	56	7					

In certain circumstances, factors beyond the control of the implementing officer may mean that the agreed date for implementation of the recommendation cannot be agreed and a revised target implementation date is agreed. An example of this relates to the Golau Governance review where the outstanding recommendation is dependent on the development of a health board charitable funds marketing strategy and so the

agreed implementation date of 31st March 2019 cannot be achieved. Taking into account noted revised target implementation dates, the table above would reduce to 24 high, 51 medium and 7 low priority as shown on the table below:

Row Labels	Sum of High Priority Overdue2	Sum of Medium Priority Overdue2	Sum of Low Priority Overdue2
Director of Strategy	1	7	1
Medical Director	10	7	3
Chief Operating Officer	5	28	3
Director of Finance	0	0	0
Director of Human Resources	3	3	0
Director of Public Health	0	1	0
Director of Nursing	5	5	0
Grand Total	24	51	7

It should be noted that the lead Executive Director named on each report is reflective of the Executive Director Portfolio of responsibilities at the date of update of the audit registers (22nd February 2019). A review of the audit reports allocated to each Executive Director has been undertaken as a result of the realignment of Executive Director responsibilities.

Since the January 2019 Audit Committee there has been an improvement in the progress in implementing the outstanding internal audit recommendations with the number of overdue recommendations decreasing from 116 to 90. The table below shows a comparison of outstanding recommendations as at 22nd February 2019 as compared to the status as at 28th December 2018.

Director	Overdue at 22 nd February	Overdue at 28 th December	Change
Director of Strategy	10	40	-30
Medical Director	20	18	2
Chief Operating Officer	38	33	5
Director of Finance	1	2	-1
Director of Human Resources	6	7	-1
Director of Public Health	1	1	0
Director of Nursing	13	15	-2
Director of Corporate Governance	1	0	1
Total	90	116	-26

This increase can be analysed by priority as follows:

Priority	Overdue at 22nd February	Overdue at 28 th December	Change
High	27	29	-2
Medium	56	79	-23
Low	7	8	-1
Total	90	116	-26

3.0 GOVERNANCE AND RISK ISSUES

- 3.1 There are significant governance risks arising from delays in implementing management responses to both Internal and External Audit reports particularly in areas where reports highlight limited assurance. Whilst progress has been made during the December to February period in reducing the number of outstanding and overdue audit recommendations, it is imperative that management actions are implemented on a timelier basis than is currently the case as highlighted by the tables above.

4.0 FINANCIAL IMPLICATIONS

- 4.1 Whilst there are no direct financial implications which need to be highlighted in this report, there may be issues arising from individual audit reports which have financial implications, where cost may need to be incurred in order to implement audit recommendations or where areas of limited assurance may have financial implications for the health board.

5.0 RECOMMENDATIONS

- 5.1 The Audit Committee is asked to note the current position of the Audit Registers, the status of the Action Plans and the decrease in the last 2 months in the number of overdue recommendations.

EXTERNAL AUDIT REGISTER 2017/18

Audit Work 2017		Draft Report	Final Report				Audit Committee
		Received	Due	Received	Completion		
					On Time	Late	
Financial Accounts Work							
1	Audit of Financial Statements 2017/18 Report	23/05/2018	Jun-18	24/05/2018			30/05/2018
2	Audit of Charitable Funds Financial Statements 2017/18 Report	18/10/2018	Oct-18	23/10/2018			01/11/2018
Performance Work							
3	Structured Assessment 2017	19/02/2018	Feb-18	19/02/2018			15/03/2018
4	Thematic Reviews: Primary Care	13/12/2018	Nov-18	13/12/2018			24/01/2019
5	Thematic Reviews: Cross Sector Review- Intermediate Care Fund (Note 1)	Not Received	Jan-19				TBC - May 19
	Local Audit Work		Note 3				
Other							
6	Annual Audit Report for 2017	19/02/2018	Jan-18	19/02/2018			15/03/2018
7	Audit Plan 2018	13/02/2018	Jan-18	13/02/2018			15/03/2018

Note 1: Fieldwork Complete - Local Findings Presented to the RPB on 30th October 2018. National report anticipated early 2019.

EXTERNAL AUDIT REGISTER 2018/19

Audit Work 2018		Draft Report	Final Report				Audit Committee
			Received	Due	Received	Completion	
		On Time				Late	
Financial Accounts Work							
1	Audit of Financial Statements 2018/19 Report		Jun-19				
2	Audit of Charitable Funds Statements 2018/19 Report		Oct-19				
	Performance Work						
3	Structured Assessment 2018	11/01/2019	Jan-19	11/01/2019			24/01/2019
4	Thematic Reviews: Clinical Coding Follow Up (Note 1)		May-19				
5	Thematic Reviews: Orthopaedic Services Follow Up (Note 2)		Nov-19				
6	Local Audit Work - Follow up review of consultant contract (Note 3)		Jul-19				
	Other						
7	Annual Audit Report for 2018	08/01/2019	Jan-19	15/01/2019			24/01/2019
8	Audit Plan 2019	28/02/2019	Mar-19				21/03/2019

Note 1: Fieldwork concluded. Commencing Report Drafting.

Note 2: Terms of reference issued 28th February 2019.

Note 3: Fieldwork in 2019

Appendix B

ABM UNIVERSITY HEALTH BOARD

INTERNAL AUDIT REGISTER 2018/19

Audit Assurance Rating Key			
Substantial Assurance	Some Assurance		
Reasonable Assurance	No Assurance		

Progress Monitoring of Approved Plan				Completion of Work				Draft Report				Management Responses				Final Report				Audit
4	Corporate Legislative Compliance – Wellbeing of Future Generations (Wales) Act	ABM-1819-004	Director of Strategy	Q3	26/10/2018	1		09/11/2018	29/10/2018	1		19/11/2018	16/11/2018	1		30/11/2018	21/11/2018	1		24-Jan-19
5	Corporate Governance Code - Compliance Board & Committee Arrangements (Deferred from 2017/18)	ABM-1819-005	Director of Corporate Governance	Q3	30/11/2018	1		14/12/2018	30/11/2018	1		21/12/2018	30/11/2018	1		14/12/2018	06/12/2018	1		24-Jan-19
8	Health & Safety – Follow Up Review	ABM-1819-008	Director of Strategy	Q3	29/10/2018	1		12/11/2018	29/10/2018	1		19/11/2018	16/11/2018	1		30/11/2018	21/11/2018	1		24-Jan-19
9	Fire Safety – Follow Up Review	ABM-1819-009	Director of Strategy	Q3	29/10/2018	1		12/11/2018	29/10/2018	1		19/11/2018	16/11/2018	1		30/11/2018	19/11/2018	1		24-Jan-19
12	Vaccination and Immunisation	ABM-1819-012	Director of Public Health	Q1	29/06/2018	1		13/07/2018	29/06/2018	1		20/07/2018	20/07/2018	1		03/08/2018	02/08/2018	1		20-Sep-18
13	Third Sector Commissioning – Follow Up Review	ABM-1819-047	Director of Strategy	Q2	31/08/2018	1		14/09/2018	31/08/2018	1		21/09/2018	11/10/2018		1	25/10/2018	18/10/2018	1		15-Nov-18
15	General Financial Ledger	ABM-1819-014	Director of Finance	Q3	30/11/2018	1		14/12/2018	13/12/2018	1		08/01/2019	08/01/2019	1		22/01/2019	11/01/2019	1		24-Jan-19
16	Welsh Risk Pool Claims Review	ABM-1819-015	Director of Nursing & Patient Experience	Q4	28/11/2018	1		12/12/2018	28/11/2018	1		19/12/2018	19/12/2018	1		02/01/2019	19/12/2018	1		24-Jan-19
17	Charitable Funds - Funds Held on Trust (Part 1)	ABM-1819-016a	Director of Finance	Q1	01/06/2018	1		15/06/2018	07/06/2018	1		28/06/2018	11/07/2018		1	25/07/2018	16/07/2018	1		20-Sep-18
18	Charitable Funds - Funds Held on Trust (Part 2)	ABM-1819-016b	Director of Finance	Q2	17/08/2018	1		31/08/2018	29/08/2018	1		19/09/2018	30/08/2018	1		13/09/2018	31/08/2018	1		20-Sep-18
19	Charitable Fund: Golau Governance – Follow Up Review	ABM-1819-017	Director of Finance	Q2	20/08/2018	1		03/09/2018	23/08/2018	1		13/09/2018	24/09/2018		1	08/10/2018	04/10/2018	1		15-Nov-18
21	Annual Quality Statement	ABM-1819-019	Director of Nursing & Patient Experience	Q1	29/06/2018	1		13/07/2018	29/06/2018	1		13/07/2018	20/07/2018		1	03/08/2018	03/08/2018	1		No Rating
22	Putting Things Right: Integrity of DatixWeb (Deferred from 2017/18)	ABM-1819-020	Director of Nursing & Patient Experience	Q2	30/07/2018	1		13/08/2018	31/07/2018	1		21/08/2018	21/08/2018	1		04/09/2018	28/08/2018	1		20-Sep-18
26	Pressure Ulcers - Follow Up Review	ABM-1819-024	Director of Nursing & Patient Experience	Q2	28/09/2018	1		12/10/2018	28/09/2018	1		19/10/2018	01/11/2018		1	15/11/2018	07/11/2018	1		15-Nov-18
27	Mortality Reviews - Follow Up Review	ABM-1819-025	Medical Director	Q2	28/09/2018	1		12/10/2018	29/09/2018	1		19/10/2018	19/10/2018	1		02/11/2018	29/10/2018	1		15-Nov-18
28	POVA Deprivation of Liberty Safeguards– Follow Up Review (Units High Risks are DOLS)	ABM-1819-026	Director of Nursing & Patient Experience	Q2	06/08/2018	1		20/08/2018	06/08/2018	1		05/09/2018	10/09/2018		1	24/09/2018	10/09/2018	1		20-Sep-18
30	Data Quality: Delayed Follow Ups	ABM-1819-028	Medical Director	Q2	23/08/2018	1		06/09/2018	24/08/2018	1		17/09/2018	12/10/2018		1	26/10/2018	19/10/2018	1		15-Nov-18
32	Business Continuity & Disaster Recovery	ABM-1819-030	Medical Director	Q2	28/09/2018	1		12/10/2018	28/09/2018	1		19/10/2018	18/10/2018	1		01/11/2018	18/10/2018	1		15-Nov-18
33	Health Records Management (Physical notes)	ABM-1819-031	Medical Director	Q1	12/06/2018	1		26/06/2018	14/06/2018	1		05/07/2018	04/07/2018	1		18/07/2018	18/07/2018	1		20-Sep-18
34	GDPR (General Data Protection Regulation)	ABM-1819-032	Medical Director	Q3	30/11/2018	1		14/12/2018	30/11/2018	1		21/12/2018	05/12/2018	1		19/12/2018	06/12/2018	1		24-Jan-19
37	GP Managed Practices: Cymmer Health Centre (Deferred from 2017/18)	ABM-1819-035	Chief Operating Officer	Q2	09/07/2018	1		23/07/2018	13/07/2018	1		17/09/2018	30/08/2018	1		13/09/2018	31/08/2018	1		20-Sep-18
38	Princess of Wales Service Delivery Unit Governance Review	ABM-1819-036	Chief Operating Officer	Q2	27/07/2018	1		10/08/2018	30/07/2018	1		20/08/2018	14/08/2018	1		28/08/2018	15/08/2018	1		20-Sep-18
39	Morriston Hospital Service Delivery Unit Governance Review	ABM-1819-037	Chief Operating Officer	Q2	18/09/2018	1		02/10/2018	27/09/2018	1		18/10/2018	18/10/2018	1		01/11/2018	19/10/2018	1		15-Nov-18
40	Strategy and Planning Directorate	ABM-1819-038	Director of Strategy	Q2	28/09/2018	1		12/10/2018	28/09/2018	1		19/10/2018	15/10/2018	1		29/10/2018	18/10/2018	1		15-Nov-18
47	Sickness Absence Management - Follow Up Review	ABM-1819-045	Director of Human Resources	Q2	29/06/2018	1		13/07/2018	29/06/2018	1		20/07/2018	01/08/2018		1	15/08/2018	05/10/2018		1	15-Nov-18