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University Health Board



Meeting Date	15th March 2018	Agenda Item	
Report Title	Internal Audit Progress Report		
Report Author	Neil Thomas, Deputy Head of Internal Audit, NWSSP A&A Huw Richards, Deputy Director, NWSSP A&A (SSu)		
Report Sponsor	Paula O'Connor, Head of Internal Audit, NWSSP A&A		
Presented by	Neil Thomas, Deputy Head of Internal Audit, NWSSP A&A Huw Richards, Deputy Director, NWSSP A&A (SSu)		
Freedom of Information	Open		
Purpose of the Report	The main purpose of this report is to: <ul style="list-style-type: none"> • Report progress of work within the agreed 2017/8 plan • Seek approval for changes to the plan 		
Key Issues	The report presents progress with delivering assignments agreed within the annual operational audit plan and the outcomes of all those finalised to date at Appendix A. The outcomes will inform the Head of Internal Audit Opinion. Two changes have been proposed: one addition to plan and one deferral.		
Specific Action Required (please ✓ one only)	Information	Discussion	Assurance
Recommendations	Members are asked to: <ul style="list-style-type: none"> • Note the progress made in delivering the 2017/18 audit plan. • Approve the changes proposed to the plan. 		



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INTERNAL AUDIT PROGRESS REPORT

**ABM University Health Board
Audit Committee
15th March 2018**

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

1 INTRODUCTION

1.1 The main purpose of this report is to:

- Report progress of work within the agreed 2017/8 plan
- Seek approval for changes to the 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 February 2018.

2 GENERAL INTERNAL AUDIT SERVICES

2.1 PROGRESS OF GENERAL INTERNAL AUDIT WORK 2017/18

2.1.1 Since the last meeting, we have finalised the following reports from this year's internal audit plan:

Ref	Subject	Rating ¹	Executive Officer Recipient(s)	Receiving C'ttee(s)
1718-009	Health & Safety		DOS	AC, QSC
1718-012	Performance Management & Reporting		DOS	AC
1718-014	Budgetary Control & Financial Reporting		DOF	AC
1718-027	Primary Care Core Measures		COO	AC, QSC
1718-028	Data Quality: Mental Health Measures (Follow Up)		COO (cc MD)	AC
1718-042	Workforce Delivery Plan Actions		DOHR	AC
1718-111	Safety Alerts (Follow Up)		DOS	AC
1718-112	FHOT: Golau Governance Review		DOF	AC

Additionally, we have received an initial response to our draft report on *Corporate Legislative Compliance: The Wellbeing of Future Generations Act* which indicates a difference in view in respect of the *Limited Assurance* outcome. We have not amended the rating but we have issued a proposed final report to the Director of Strategy, with an offer to meet to discuss her concerns

¹ Definitions of assurance ratings are included within Appendix B to this report.

in order to finalise the report. Noting the position, the executive summary of the proposed final report has been included within a separate section of our routine Assignment Summary Report, for Committee members' information.

2.1.2 In addition to the above, we have issued a Draft report on the following subject:

- Fire Safety (Follow Up)

2.1.3 Work is in progress in respect of:

- Medical Equipment & Devices (Follow Up)
- Medical Directorate (Follow Up)
- Data Quality: Stroke (Follow Up)
- Working Time Directive: Portering Services
- Non Pay Expenditure: Receipting of Goods

Last queries are being closed in respect of *IT Infrastructure Assets* and a draft report will be issued shortly in March.

2.1.4 Since our last report to the Committee, we have updated the Executive Team on the outcomes of audits completed up to the first weeks of February, and brought two proposed changes to the audit plan to their attention, for which we are seeking Audit Committee approval:

ADJUSTMENTS – FOR APPROVAL	
Audit	Notes
Data Quality: OP Delayed Follow Ups	Wales Audit Office (WAO) have recently completed work that included a follow up of actions agreed to improve data validation & the reliability of figures relating to delayed outpatient follow up appointments. This is due to report imminently and it is possible that further action may be required to address issues. Noting the coverage by WAO it is proposed to <u>defer</u> this audit into the 2018/19 audit plan, and include a consideration of any further action required of management in respect to the WAO report findings at that time.
Executive Medical Directorate (Follow Up)	The Medical Director requested that we undertake a follow up audit of this area in March. We have agreed to this provisionally and begun work ahead of time where evidence has been provided by management early in order to feedback for further action ahead of its completion. The Audit Committee is asked to approve our <u>addition</u> of this audit to our plan.

2.1.5 Progress against the plan and updated timings is presented at Appendix A for information.



2.2 ADDITIONAL WORK: FOLLOW UP REVIEWS, ADVICE & PROJECTS

There are some 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:

2.2.1 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. Areas not previously reported to the Committee include:

- Sharing of Partnership Governance resources (incl CIPFA checklist)
- Comment on proposed changes to process for controlling the authorisation and communication of payroll change requests to the NWSSP Payroll function
- NHS England guidance on managing conflicts of interest
- Sharing of Advisory Group papers on Business Intelligence
- Sharing of NHS Digital GDPR checklist
- Comment for Director of Nursing & Patient Experience on All Wales paper on nursing agencies

The Head of Internal Audit has continued to meet with Executive Directors:

- Director of Corporate Governance.
- Interim Director of Nursing & Patient Experience
- Interim Chief Operating Officer
- Chief Executive

3 SPECIALIST SERVICES UNIT

3.1 PROGRESS OF THE CAPITAL AND ESTATES ASSURANCE DOMAIN

3.1.1 No final reports have been issued since the last meeting.

3.1.2 Final briefing papers were issued in September arising from the mandated reviews of the Health Board's sustainability and carbon reduction commitment reporting requirements for 2017/18.

3.1.3 The draft report has been issued on the Informatics SOP audit.

3.1.4 Fieldwork is being finalised in respect of:

- Capital Systems (Equipment Replacement Programme); and
- Capital and Estates Assurance Follow Up.

- 3.1.5 The consideration of the commercial offer provided by the main contractor on the HVS Phase 1B Main entrance development has been concluded.
- 3.1.6 As we plan for audits we are liaising with senior managers and lead Executives, considering progress of action to address previous audit recommendations and the impact of external reviews. Recent discussions have highlighted the need for changes to the audit plan. These are presented below for Audit Committee consideration and approval:
- 3.1.7 In accordance with the University Health Board's Financial Control Procedure 15, we are required to review all scheme final accounts (subject to risk assessment).
- 3.1.8 Progress against the plan and updated timings is presented at Appendix A for information.

4 DEVELOPMENTS

4.1 External Quality Assessment

The External Quality Assessment visit is complete. As part of the overall assessment of services provided across Wales, the assessor spent one of her days with the ABMU Health Board's Head of Internal Audit and team, reviewing the approach taken to the planning & delivery of the service you receive.

Informal feedback has been positive, and we now await her report. The Audit Committee will be informed of the outcome as soon as it received formally.

4.2 Staff Changes

Since the last meeting our replacement Senior Auditor has taken up post and commenced work on the audit of Working Time Directive: Portering Services. Our replacement Principal Audit starts shortly on 8th March.

We have shortlisted for the remaining vacancy within our team and will be interviewing in March.

4.3 Strategic Audit Planning 2018-21

During the months of January and February the Head of Internal Audit has been engaged in planning for the forthcoming 2018/19 audit year and beyond. We have had a good level of engagement from the Executive Team and drafted a risk-based plan which reflects risks identified by them and the Head of Internal Audit's own risk assessment of the Health Board.











The draft audit plan was discussed at a meeting of the Executive Team on 19th February and approved subject to a small number of queries which the Head of Internal Audit has responded to directly. More detail on the approach taken to its preparation and the draft audit plan itself are included within a separate paper for the Committee's consideration at this meeting.
















5 ACTION











- 5.1 The Audit Committee is asked to note the progress with the delivery of 2017/18 audits.**
- 5.2 The Audit Committee is asked to approve changes to the plan detailed at section 2.1.**

INTERNAL AUDIT PROGRESS AGAINST PLAN

APPENDIX A

Planned output	Indicative audit start date	Indicative draft report date
Corporate Governance, Risk & Regulatory Compliance		
Annual HoIA Opinion	Apr 2018	May 2018
Governance, Leadership and Accountability	Apr 2018	May 2018
Annual Governance Statement	Apr 2018	May 2018
Risk Management & Assurance (including Risk Register)	 Final report issued Nov 2017	
Corporate Legislative Compliance: Wellbeing of Future Generations (Wales) Act	Draft report issued Nov 2017 Proposed Final report issued Feb 2018 <i>Summary reported to AC Mar 2018</i>	
Corporate Governance: Code compliance	Removed from Plan (AC Jan 2018)	
Health Board System of Assurance	Removed from Plan (AC Jan 2018)	
Primary Care Clusters: Governance arrangements	 Final report issued Dec 2017	
Partnership Governance: ARCH	Removed from Plan (AC Jan 2018)	
Health & Safety	 Final report issued Jan 2018	
Fire Safety	 Final report issued Aug 2017	
Fire Safety (Follow Up) <i>*ADDED*</i>	Draft report issued Feb 2018	
Strategic Planning, Performance Management & Reporting		
IMTP (<i>Annual Plan</i>)	Brief issued	Feb Early Apr 2018
Performance Management & Reporting	 Final report issued Feb 2018	
Third Sector Commissioning/Contracts	 Final report issued Nov 2017	
Financial Governance & Management		
Financial Ledger	 Final report issued Dec 2017	
Budgetary Control & Financial Reporting	 Final report issued Feb 2018	
Welsh Risk Pool Claims	 Final report issued Sep 2017	
Medical Equipment: maintenance contract payments	Brief issued	Mar 2018
Non Pay Expenditure (Local Controls)	Work started	Mar 2018
FHOT: Golau Governance Review <i>*ADDED*</i>	 Final report issued Feb 2018	
Clinical Governance Quality & Safety		
Annual Quality Statement (2016/17)	Final report issued Aug 2017	
Putting Things Right	Removed from Plan (AC Nov 2017)	

Planned output	Indicative audit start date	Indicative draft report date
Patient Reported Experience & Patient Reported Outcome Measures	<i>Removed from Plan (AC Jan 2018)</i>	
Clinical Audit & Assurance	<i>Removed from Plan (AC Jan 2018)</i>	
Pressure Ulcers (deferred from 2016/17)	 Final report issued Oct 2017	
Medical Equipment & Devices	 Final report issued Oct 2017	
Medical Equipment & Devices (Follow Up) <i>*ADDED*</i>	Brief issued	Mar 2018
POVA (DOLS)	 Final report issued Oct 2017	
Discharge Processes (follow up)	<i>Removed from Plan (AC Jan 2018)</i>	
Primary Care: Core quality & delivery measures	 Final report issued Jan 2018	
Safety Alerts Communication (Follow Up) <i>*ADDED*</i>	 Final report issued Feb 2018	
Information Governance & Security		
Data Quality: Follow up review <i>Mental Health Measure *ADDED*</i>	 Final report issued Jan 2018	
IT infrastructure assets	Draft imminent	Jan Early March 2018
Information Governance & Information Assurance (deferred from 2016/17)	 Final report issued Dec 2017	
Data Quality: Delayed Follow Ups	<i>AC approval sought to defer to 2018/19</i>	
IT / Cyber Security *ADDED*	<i>Removed from Plan (AC Sep 2017)</i>	
Data Quality: Follow up review <i>Stroke *ADDED*</i>	Work in progress	Mar 2018
Operational Service & Functional Management		
Singleton Hospital Service Delivery Unit	 Final report issued Jun 2017	
NPT & Clinical Support Services Delivery Unit	 Final report issued Aug 2017	
HR&OD Directorate (follow up)	<i>Removed from Plan (AC Nov 2017)</i>	
Medical Directorate	 Final report issued Sep 2017	
Nursing Directorate	 Final report issued Aug 2017	
Finance Directorate	Brief issued	Mar 2018
Community Dentistry (CDS not GDS)	 Final report issued Dec 2017	
Mental Health Unit Governance Framework	 Final report issued Nov 2017	
GP Managed Practices	<i>Removed from Plan (AC Sep 2017)</i>	
Workforce Management		
Staff performance management and appraisals	 Final report issued Oct 2017	
Workforce Planning (deferred from 2016/17) <i>Workforce Delivery Plan Actions</i>	 Final report issued Feb 2018	

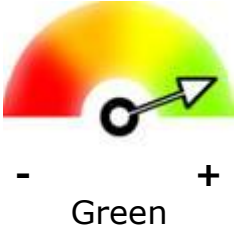

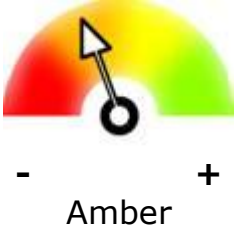
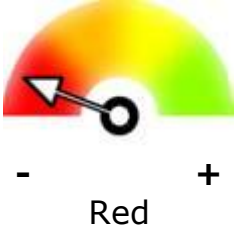
Planned output	Indicative audit start date	Indicative draft report date
Statutory & Mandatory Training	 Final report issued Aug 2017	
Medical Staff Revalidation	<i>Removed from Plan (AC Jan 2018)</i>	
Organisational Change Policy / Contractual Changes	<i>Removed from Plan (AC Nov 2017)</i>	
EWTD	Work in progress	Mar 2018
Sickness Absence Management (Follow Up) (Deferred from 2016/17) *ADDED*	 Final report issued Nov 2017	
Nurse Rostering (Follow Up) (Deferred from 2016/17) *ADDED*	<i>Removed from Plan (AC Nov 2017)</i>	
Junior Doctors Banding (Follow Up) (Deferred from 2016/17) *ADDED*	<i>Removed from Plan (AC Nov 2017)</i>	
Medical Locum Cover *ADDED*	 Final report issued January 2018	
Capital and Estates Assurance Domain		
16/17 Audit Plan b/f		
Neath Port Talbot – Operational PFI	 Final report issued July 2017	
Follow Up (Capital)	 Final report issued July 2017	
Follow Up (Estates Assurance)	 Final report issued July 2017	
17/18 Audit Plan		
Capital Systems/crl (b/f)	 Final report issued July 2017	
Informatics Programme (b/f)	 Final report issued August 2017	
Backlog maintenance (b/f)	 Final report issued October 2017	
Renal Ward Refurbishment	 Final report issued January 2018	
Sustainability	Final briefing paper issued September 2017	
CRC (Energy Efficiency Scheme)	Final briefing paper issued September 2017	
Informatics SOP	Draft report issued March 2018	
Capital Systems (Equipment Replacement Programme)	Fieldwork being concluded	Q4/Q1(2018/19)
Capital Follow Up	Fieldwork being concluded	Q4/Q1(2018/19)
Follow Up (Estates Assurance)	Fieldwork being concluded	Q4/Q1(2018/19)
Estates Assurance: Control of Substances Hazardous to Health	Fieldwork being initiated	Q1 (2018/19)
ARCH Programme	<i>Deferred to Q1/Q2 2018/19 (Jan 2018 A/C)</i>	
Transitional Care Unit / Neonatal and Paediatrics Capacity	<i>Deferred to 2018/19 (Jan 2018 A/C)</i>	

ADDED = Added to reflect Audit Committee requests following submission of the original plan agreed in March 2017.

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ASSURANCE RATINGS

APPENDIX B

RATING	INDICATOR	DEFINITION
Substantial assurance	 <p data-bbox="427 680 635 748">- Green +</p>	<p>The Board can take substantial assurance 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 low impact on residual risk exposure.</p>
Reasonable assurance	 <p data-bbox="427 1023 635 1090">- Yellow +</p>	<p>The Board can take reasonable assurance 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 low to moderate impact on residual risk exposure until resolved.</p>
Limited assurance	 <p data-bbox="427 1382 635 1449">- Amber +</p>	<p>The Board can take limited assurance 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 moderate impact on residual risk exposure until resolved.</p>
No assurance	 <p data-bbox="427 1740 635 1807">- Red +</p>	<p>The Board has no assurance 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 high impact on residual risk exposure until resolved.</p>