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University Health Board



Meeting Date	20th September 2018	Agenda Item	4a
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 report progress in delivering agreed audit work.		
Key Issues	<p>The report presents:</p> <ul style="list-style-type: none"> Progress in respect of the planning & delivery of assignments agreed within the annual operational audit plan 2018/19. The audit assurance ratings of finalised reports. 		
Specific Action Required (please ✓ one only)	Information	Discussion	Assurance
	✓		
Recommendations	<p>Members are asked to:</p> <ul style="list-style-type: none"> Note the progress of the internal audit programme of work. 		



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INTERNAL AUDIT PROGRESS REPORT

**ABM University Health Board
Audit Committee
20th September 2018**

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

1 INTRODUCTION

1.1 The main purpose of this report is to report on the progress of work within the agreed 2018/19 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 start of September 2018.

2 GENERAL INTERNAL AUDIT SERVICES

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

2.1.1 We continue to report to the Executive Team on matters arising from audit work and progress against the plan. Reports have been and indicated final and draft reports issued and upcoming audit work.

2.1.2 Since the last meeting of the Audit Committee, we have finalised the following reports:

Ref	Subject	Rating ¹	Executive Officer Recipient(s)	Receiving C'ttee(s)
1819-012	Vaccination & Immunisation		DOPH	AC
1819-016b	Charitable Funds: Part II		DOF	AC CFC
1819-019	Annual Quality Statement	No rating assigned	DON&PE	AC QSC
1819-020	Putting Things Right: Integrity of DatixWeb		DON&PE	AC QSC
1819-026	POVA: DoLS (Follow Up)		DON&PE	AC QSC
1819-031	Health Records Management		EMD (CIO) Cc Interim CIO & Deputy SIRO	AC
1819-035	GP Managed Practice: Cymmer Health Centre		COO	AC
1819-036	Princess of Wales Delivery Unit: Governance Review		COO	AC

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

We spent some additional time on closing work in relation to the *Princess of Wales: Governance Review* (final) and *POVA: Deprivation of Liberty Safeguards* audit (draft). Both reports generated additional queries during fieldwork which required resolution working with management to close work and report. Adjustments to reporting dates for following audits where needed have been indicated in the Appendix A.

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

- 017 Charitable Funds: Golau Governance (Follow Up)
- 028 Delayed Follow Ups
- 047 Third Sector Commissioning (Follow Up)

In respect of the *Third Sector (Follow Up)* review we have issued a draft report with an indicative rating, and have agreed that we will consider any additional relevant evidence of action sent by the expected date for the management response before finalising the rating.

2.1.4 Work is in progress in respect of:

- 010 Annual Plan: Delivery Framework (starting)
- 024 Pressure Ulcers (Follow Up) (starting)
- 025 Mortality Reviews (Follow Up)
- 027 Nursing Quality Assurance / Matron Checks
- 030 Business Continuity & Disaster Recovery (closing)
- 037 Morriston Hospital Service Delivery Unit (closing)
- 038 Strategy & Planning Directorate (closing)

2.1.5 Since the last meeting the brief has been agreed for review of *ARCH*. The ARCH Head of Strategy and Service Planning indicated that work was ongoing in August to update the ARCH governance and 'ways of working' and a paper was due to go to the ARCH Delivery Leadership Group in September. We have agreed to start the internal audit review after end of September to take into account these developments.

2.1.6 The 2018/19 Internal Audit Plan was agreed by the Audit Committee in March 2018. It remains flexible and we are continuing to work with Executive Directors to ensure that audit work is appropriately focused and timed.

We have amended the scheduled start date for the review of *Risk Management* following discussion of the subject at the last meeting. Additionally, following review of milestone dates within the Recovery & Sustainability Programme work on rostering we have agreed with the Director of Nursing & Patient Experience to start work on this in December, following completion of systems implementation in the first of the Units scheduled (Singleton).

Audits under the *Workforce* assurance domain have been scheduled for the second half of the year to allow for progress. We will be liaising with the

Director of Workforce & OD and Director of Corporate Governance during Quarter 3 to ascertain the status of these areas prior to starting any work.

Progress against plan is detailed at Appendix A.

2.2 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.

2.2.1 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. Recent examples include:

- Quality matters, including Health & Care Standards, following discussion with QSC members (Corporate)
- Theatre Improvement (Previous audit work) (Corporate)
- Quality Impact Assessment (Nursing)
- Health & Safety Annual Report (Strategy)

In addition to the above, the Head of Internal Audit continues to provide advice as a critical friend on the forthcoming Bridgend boundary change through her attendance at the Governance workstream. In addition, the Head of Internal Audit attends meetings of the management team-led review of governance arrangements within the Bridgend Private Clinic.

2.2.2 Board Engagement

The Head of Internal Audit has continued to meet with members of the Board. Since the last meeting:

- Quality & Safety Committee members in private session
- Director of Corporate Governance
- Director of Strategy
- Chief Operating Officer

3 SPECIALIST SERVICES UNIT

3.1 PROGRESS OF THE 2018/19 CAPITAL AND ESTATES DOMAIN

3.1.1 Since the last meeting, we have issued the following final reports for consideration by the Committee:

Ref	Subject	Rating	Executive Officer Recipient(s)	Receiving C'ttee(s)
1819-S10	Sustainability Reporting	No rating assigned	DoS	AC
1819-S11	Carbon Reduction Commitment	No rating assigned	DoS	AC

3.1.2 Field work is currently being progressed in respect of the following assignments:

- Capital Systems;
- Capital Projects: Environmental / Infrastructure Modernisation Programme;
- Estates Assurance: Control of Substances Hazardous to Health; and
- Estates Assurance: Water Safety

3.1.3 The audit brief for the Major Strategic Investment Programmes: ARCH Programme, has been agreed, and with agreement from management, fieldwork is scheduled to commence in September.

The following audit briefs are being developed for issue:

- Capital Projects: Transitional Care Unit/Neonatal and Paediatrics Capacity;
- Capital Projects: Primary and Community Care Infrastructure Projects; and
- Informatics Modernisation Programme.

3.1.4 Since the last audit committee meeting we have had dialogue with the Head of Accounting & Governance to review the schedule of agreed management actions relating to the capital and estates domain to ensure consistency.

3.1.5 We met with the Assistant Director of Strategy - Capital on the 10th September to discuss the progression of the audit plan to date, capital project delivery within the UHB (including key risks/challenges etc.), any areas of concern and to ensure that audit work was appropriately focused and timed through to the financial year end.

3.1.6 Further details including changes to timing are available at Appendix A as applicable.

4 DEVELOPMENTS

4.1 Staff Changes

Our longest-standing Principal Auditor took up post in another team at the start of September. The vacancy is currently out to advertisement.

In August we interviewed and recruited a first-class honours BSc Accounting graduate from Swansea University to the NWSSP Audit Bank. He will be starting with us in September following completion of his MSc degree.

We will continue to keep progress against the plan under review and will seek external agency support to assist address any impact resulting from staff changes.

4.2 Post Audit Questionnaires




Following discussion with the IIA assessor during the external quality assessment of Audit & Assurance in 2017/18, we have amended our post audit client satisfaction questionnaires to make them less onerous to complete by managers, whilst still affording the opportunity to highlight areas for improvement. The questionnaires are issued at the point of issue of Final reports. Seven questionnaires have been issued and four responses received to date. The feedback so far has been very positive. The consolidated responses will be reported in due course within the Head of Internal Audit Annual Report 2018/19.

5 ACTION

5.1 The Audit Committee is asked to note progress against the 2018/19 audit plan.








INTERNAL AUDIT PROGRESS AGAINST PLAN

APPENDIX A

Planned Output	Indicative audit start date	Indicative draft report date	Executive Lead
Corporate governance, risk and regulatory compliance domain			
Governance, leadership and accountability (incorporating Health & Care Standards)	Mar 19	May 19	DOCG
Annual Governance Statement	Apr 19	May 19	DOCG
Risk Management & Assurance	Sep Nov 18	Oct Jan 18	DON&PE
Corporate Legislative Compliance – Wellbeing of Future Generations (Wales) Act	Setup meeting agreed for Sep 18	Sep Oct 18	DOCG ²
Corporate Governance – Code Compliance <i>(deferred 17/18)</i>	Sep 18	Nov 18	DOCG
Board Assurance Framework <i>(deferred 17/18)</i>	Jan 19	Feb 19	DOCG
Partnership Governance: ARCH <i>(deferred 16/17 & 17/18)</i>	End Sep 18	Dec 18	DOCG
Health & Safety (follow up)	End Sep 18	Oct 18	DOS
Fire Safety (follow up)	Nov 18	Dec 18	DOS
Strategic planning, performance management and reporting domain			
Annual Plan (in absence of IMTP)	Work started	Oct 18	DOS
Performance management and reporting	Dec 18	Jan 19	DOS
Vaccination and Immunisation	 Final report issued Aug 2018		DOPH
Third Sector Commissioning (follow up)	Draft report issued Aug 2018		DOS
Financial governance and management domain			
Budgetary control & financial reporting	Oct 18	Nov 18	DOF
General Ledger	Oct 18	Nov 18	DOF
Welsh Risk Pool Claims	Dec 18	Feb 19	DON&PE
Charitable Funds – Part 1	 Final report (I+II) Sep 2018		DOF
Charitable Funds – Part 2			
Charitable Fund: Golau Governance (follow up)	Draft report issued Aug 2018		DOF
Payroll – local controls	Analytical review underway to scope	Sep Oct 18	DOF
Clinical governance, quality & safety domain			
Annual Quality Statement	Final report issued Aug 2018		DON&PE ³
Putting Things Right <i>(deferred 17/18)</i>	 Final report issued Aug 2018		DON&PE
Patient Reported Outcome Measures <i>(deferred 17/18)</i>	Nov 18	Dec 18	EMD
Clinical Audit & Assurance <i>(deferred 17/18)</i>	Nov 18	Jan 19	EMD
Discharge Planning <i>(deferred 17/18)</i>	Oct 18	Dec 18	DON&PE
Pressure Ulcers (follow up)	Work started	Sep 18	DON&PE
Mortality Reviews (follow up)	Work in progress	Aug Exp'd Sep 18	EMD

² With support of DOCG

³ With support of EMD and DOTH&HS

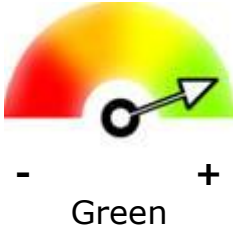
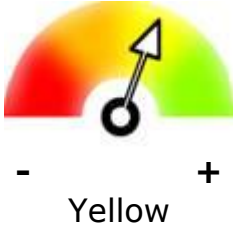
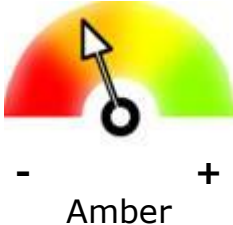
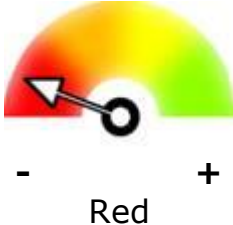
Planned Output	Indicative audit start date	Indicative draft report date	Executive Lead
POVA (DoLS) (follow up)	 Final report issued Sep 2018		DON&PE
Nursing Quality Assurance / Matron Checks	Work in progress	Aug Exp'd Sep 18	DON&PE
Information governance & security			
Outpatient Delayed Follow Ups	Draft report issued Aug 2018		COO
IT / Cyber Security	Nov 18	Jan 19	EMD
Business Continuity & Disaster Recovery	QA stage	Sep 18	EMD
Health Records Management (Physical notes)	 Final report issued Jul 2018		EMD
GDPR	Nov 18	Dec 18	EMD
IT Application	Oct 18	Dec 18	EMD
Operational service and functional management domain			
HR&OD Directorate (follow up) <i>(deferred 17/18)</i>	Jan 19	Feb 19	DOWOD
GP Managed Practice: <i>Cymmer Health Centre (deferred 17/18)</i>	 Final report issued Sep 2018		COO
Princess of Wales Service Delivery Unit	 Final report issued Aug 2018		COO
Morrison Hospital Service Delivery Unit	QA Stage	July Exp'd Sep 18	COO
Strategy and Planning Directorate	QA Stage	Aug Exp'd Sep 18	DOS
Workforce management domain			
Medical Staff Revalidation <i>(deferred 17/18)</i>	Oct 18	Nov 18	EMD
Organisational Change Policy/Contractual Changes <i>(deferred 17/18)</i>	Jan 19	Mar 19	DOWOD
Nurse Rostering (follow up) <i>(deferred 17/18)</i>	Sep Dec 18	Oct Feb 18	DON&PE
Junior Doctor Bandings (follow up) <i>(deferred 17/18)</i>	Jan 19	Mar 18	DOWOD
Staff Performance Management & appraisal (follow up)	Dec 18	Jan 19	DOWOD
Statutory and Mandatory Training (follow up)	Jan 19	Feb 19	DOWOD
Sickness absence Management (follow up)	Draft report issued & action taken by Mgt. Discussing next steps in Sep 18.		DOWOD
Medical Locum Cover (follow up)	Nov 18	Dec 18	EMD
Capital and Estates domain			
Equipment Replacement <i>c/fwd 17/18</i>	 Final report issued July 2018		DOS
Follow up (Estates Assurance) <i>c/fwd 17/18</i>	 Final report issued July 2018		DOS
Follow up (Capital) <i>c/fwd 17/18</i>	 Final report issued July 2018		DOS
Environmental Sustainability Report	Final briefing paper issued 4 th September 2018		DOS
Carbon Reduction Commitment	Final briefing paper issued 4 th September 2018		DOS
Capital Systems	Jun 18	Aug Sep 18	DOS
Major Strategic Investment Programmes: ARCH Programme	End Sep 18	Dec 18	DOS

Planned Output	Indicative audit start date	Indicative draft report date	Executive Lead
Capital Projects: Transitional Care Unit/Neonatal and Paediatrics Capacity	Oct 18	Dec 18	DOS
Capital Projects: Primary and Community Care Infrastructure Projects	Dec 18	Mar 19	DOS
Capital Projects: Environmental / Infrastructure Modernisation Programme	Jan 19 Aug 18	Mar 19 Oct 18	DOS
Informatics Modernisation Programme	Nov 18	Jan 19	EMD
Estates Assurance: Control of Substances Hazardous to Health <i>c/fwd 17/18</i>	Jul Aug 18	Sep Oct 18	DOS
Estates Assurance: Water Management	Aug 18	Oct 18	DOS
Follow up (Estates Assurance)	Feb 19	Mar 19	DOS
Follow Up (Capital)	Feb 19	Mar 19	DOS

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ASSURANCE RATINGS

APPENDIX B

RATING	INDICATOR	DEFINITION
Substantial assurance		<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>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>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>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>