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Bwrdd Iechyd Prifysgol
Bae Abertawe
Swansea Bay University
Health Board



Meeting Date	21st November 2019		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	Paula O'Connor, 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 2019/20 and proposed changes. • The audit assurance ratings of finalised reports. 			
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance	Approval
	✓			✓
Recommendations	<p>Members are asked to:</p> <ul style="list-style-type: none"> • Note the progress of the internal audit programme of work. • Approve changes highlighted 			

Private & Confidential

INTERNAL AUDIT PROGRESS REPORT

**Swansea Bay University Health Board
Audit Committee
21st November 2019**

**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 progress of work within the agreed 2019/20 audit plan and highlight any changes for noting and/or approval. Additionally, it reflects on support provided to management and Board members.
- 1.2 The report records progress of general (section 2) and specialist (section 3) internal audit work up to the beginning of November 2019.

2 GENERAL INTERNAL AUDIT SERVICES

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

- 2.1.1 The 2019/20 Internal Audit Plan was agreed by the Audit Committee in March 2019. We have continued to liaise with Executive Directors to ensure the content and timing of audits is appropriate. We continue to report regularly to the full Executive Board on the progress and outcomes of our work, the most recent update being provided to its November meeting.
- 2.1.2 We have issued the following Final reports for consideration by the Committee:

Ref	Subject	Rating ¹	Executive Officer Recipient(s)	Receiving C'ttee(s)
1920-010	Commissioning: Service Level Agreements (Interim Review)	n/a	DOS	AC
1920-012	GP Out Of Hours: Quality Standards Reporting	n/a	COO	AC
1920-015	Welsh Risk Pool Claims		DON&PE Cc DOF	AC
1920-023	Deprivation of Liberty Safeguards (Follow Up)		DON&PE	AC, QSC
1920-027	Nursing Quality Assurance (Interim Follow Up)	n/a	DON&PE	AC, QSC
1920-038	Patient Environment		COO Cc DON&PE, DOS	AC, QSC

Additionally a final report on *PCS Unit Governance* has been issued to the Chief Operating Officer for consideration. The report within be included in the papers for the next meeting of the Committee.

The reasons for "not applicable" ratings are as follows:

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

- *GP Out of Hours Services: Quality Standards Reporting*

During the course of fieldwork, we identified issues in respect of the reliability of reporting arrangements that affect not only Swansea Bay UHB but other NHS organisations using the 111 service. The solutions to these issues are not solely within the power of SBU to address, though it needs to work with its partners to resolve them. We are aware that this is progressing and there is ongoing engagement with colleagues within Welsh Government.

In view of the wider issues identified and partnership input required to resolve them we have not assigned an assurance rating but closed our work and reported the position, together with recommendations to ensure appropriate management assurance is communicated to the Health Board regarding progress.

- *Nursing Quality Assurance (Interim Follow Up)*

A review of the recorded status of management action following our last audit indicated at planning stage that actions agreed with Units to address controlled drug and resuscitation trolley issues were addressed at the end of June 2019. However, there was work ongoing to complete the review of the Quality Assurance Framework itself, the target date for which had been revised to 20th October 2019. Rather than delay further until the Framework was fully embedded, we agreed with the Director of Nursing & Patient Experience that an interim, partial follow up audit be undertaken of those actions agreed to address controlled drugs records and resuscitation trolley checks at ward level. A full follow up audit incorporating review of the implementation of the revised Quality Assurance Framework will be considered for inclusion within the audit plan for 2020/21.

Recognising that an assurance rating would not be comparable with the original audit, it was agreed at the outset of this assignment that narrative commentary would be provided instead with details of any remaining issues highlighted for management action as appropriate. As part of that commentary, we highlighted that improvement was apparent in some areas with respect to routine checks of resuscitation equipment, though this was not the case across the board. However, testing found continued non-compliance with controlled drug policy requirements in respect of the completion of registers. Our assignment summary report provides more detail.

- *Commissioning: Service Level Agreements (Interim Review)*

The audit review of meeting papers during planning for this review found that the proposed governance arrangements which the Health Board intended progressing in partnership with CTM, were still developing. The SBU Board was informed on 26th September 2019 of the key messages from the inaugural meeting of the Joint Executive Group with CTM, via the Joint

NHS Partnership & Commissioning Update Report. Whilst those arrangements have been developing, a joint Commissioning & Contracting Group has operated.

Noting the position, we considered it too early to undertake a full scope assurance audit of arrangements in place, but following our review of meeting papers an interim report was issued to present a summary of arrangements developed to date. A further internal audit review will be included in the considerations for next year's internal audit plan. In the meantime, following issue of this year's interim report, we have discussed the proposed design of the governance arrangements with the Interim Assistant Director of Strategy. She is preparing an update for the Director of Strategy and the November Board meeting.

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

- 009 Annual Plan: QIA
- 022 Medical Devices: Replacement Prioritisation
- 029 Theatres IT System: TOMS
- 045 HTA Mortuary: Part II

2.1.4 Work is in progress in respect of:

- 006 Health & Safety
- 014 Financial Ledger
- 016 Procurement & Tendering (No PO, No Pay) (closing)
- 032 WOD Directorate
- 042 Disclosure & Barring Service (DBS) Checks
- 043 Nurse Rostering

2.1.5 A brief for the audit of the *Workforce & OD Framework* has been approved, but with the agreement of the Director, the start of work was paused briefly to accommodate the extended recovery of the assigned auditor following hospital treatment. It is re-commencing this month. In the meantime, we have agreed the brief for the *WOD Directorate Review* and work has started.

In respect of *Digital Strategy (Clinical Information Reporting)*, the Health Board's Annual Plan indicates its Business Intelligence plan will be launched in Quarter 3. Discussion with the Head of Information indicates it will not be ready until the end of the Quarter, so we have re-scheduled our audit review to early February.

Work to scope, brief & agree the remaining assignments in our plan is ongoing.

2.1.6 Following the management assessment undertaken at the end of last year, the Health Board indicated that improvements were going to be made to its arrangements for providing the Board with assurance regarding its achievements

against the *Health & Care Standards*. We initially scheduled an audit for September in order to review the progress. However, the approach and timetable for the year were not approved until August and it is still early in the meetings of the Quality Improvement Task and Finish Health and Care Standards group. We therefore intend re-scheduling coverage to the end of the year and intend including commentary within the Head of Internal Audit Opinion Report as per our previous approach to this work. This adjustment is reflected at Appendix A.

2.1.7 A review of the *Consultant Contract Job Planning* arrangements was included in our plan agreed in March 2019. The WAO planned to follow up their earlier work on this subject too and at that time the date for reporting their work to Audit Committee was indicatively marked as July 2019. We scheduled our coverage of the subject for late Q3/early Q4 with that in mind, with a view to providing internal assurance regarding action required following the WAO report. Since then timescales for reporting have changed and it is now anticipated that the Audit Committee will receive the WAO follow up report in Quarter 4. We therefore propose to defer our planned coverage of this subject from the 2019/20 plan for inclusion in the 2020/21 planning process. **The Audit Committee is asked to approve this deferral.**

2.1.8 The full schedule of audits and progress is attached 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:

- Health & Care Standards good practice approach
- Risk registers & risk ownership
- Risk Management Policy revision
- Clinical Governance / Quality Assurance Framework (ongoing)
- Joint commissioning governance structure

2.2.2 Board Engagement

The Head of Internal Audit has continued to meet with the Director of Corporate Governance and also recently attended a Board Development event.

3 SPECIALIST SERVICES UNIT

3.1.1 The following Final reports have been issued, for consideration by the Committee:

Ref	Subject	Rating ²	Executive Officer Recipient(s)	Receiving C'ttee(s)
1920 SSU-10	Sustainability Reporting		COO	AC
1920 SSU-11	Carbon Reduction Commitment		COO	AC
1819 SSU-03	Neonatal & Post-Natal Capacity at Singleton Hospital		DOS	AC
1920 SSU-07	Capital Systems: Financial Safeguarding		COO	AC

3.1.2 A draft report is currently being prepared for issue in respect of the *Primary and Community Care Infrastructure Projects* audit. The draft report meeting with the Primary Care team is currently scheduled for 6th December 2019.

3.1.3 Fieldwork is being concluded in respect of the *Management of Contractors* assignment. A debrief meeting is currently scheduled for 19th November 2019.

3.1.4 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).

3.1.5 Further details are available at Appendix A as applicable.

² Definitions of assurance ratings are included within Appendix B to this report.

4 OTHER MATTERS

4.1 RETIREMENT OF HEAD OF INTERNAL AUDIT

4.1.1 The Head of Internal Audit, Paula O'Connor, retires on 30th November 2019. The Director of Audit & Assurance has continued discussions with the Health Board on arrangements for future leadership of the service. We will provide further details to the Audit Committee as they are developed. In the meantime, Committee members are invited to contact the Deputy Head of Internal Audit, Neil Thomas, if you have any queries or require support.

4.2 AUDIT STAFFING

4.2.1 We are continuing to cover vacancies and sickness leave with temporary agency cover. Following a national NWSSP Audit & Assurance recruitment exercise we have secured a permanent member of staff to fill a Principal Auditor position. Processes are ongoing to arrange her date of commencement.







5 ACTION













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

5.2 The Audit Committee is asked to agree deferral of the audit review of *Consultant Contract Job Planning* for re-consideration in 2020/21, to allow for implementation of any improvement actions arising from WAO findings on this subject.

INTERNAL AUDIT PROGRESS AGAINST PLAN

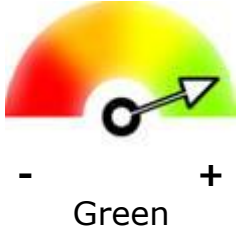
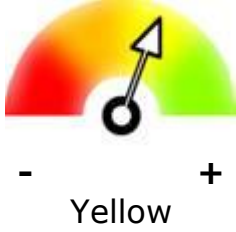
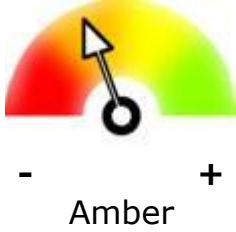
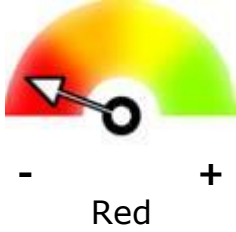
APPENDIX A

Planned Output	Indicative audit start date	Indicative draft report date	Executive Lead
Corporate governance, risk and regulatory compliance domain			
HCS (mid year review)	Sep Mar	Oct May	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>	Final Interim Report Apr 2019		COO
HTA - Mortuary (<i>Part II</i>)	Draft report issued Oct 2019		COO
Health & Safety	Work started	Jan	DON&PE
Fire Safety	Dec	Jan	DON&PE
Strategic planning, performance management and reporting domain			
Partnerships	Scoping	Nov	DOS
IMTP ("Annual Plan: QIA")	Draft report issued Nov 2019		DOS+ADOP
Commissioning Healthcare Services / SLAs	Final report issued Oct 2019		DOS
Performance management and reporting	Jan	Feb	ADOP+COO
Out of Hours services	Final report issued Oct 2019		COO
Financial governance and management domain			
Budgetary control & financial reporting	Scoping	Dec	DOF
General Ledger	Work closing	Nov	DOF
Welsh Risk Pool Claims	 Final report issued Sep 2019		DON+DOF
Procurement & Tendering	Reporting shortly	Sep	DOF
Clinical governance, quality & safety domain			
Annual Quality Statement	FINAL report issued Jun 2019		DON
Clinical Governance / Clinical Services Plan	Jan	Feb	COO
Infection Control	 Final report issued Jul 2019		DON
Falls	 Final report issued Sep 2019		DON
WHO checklist	 Final report issued Jul 2019		EMD
Medical equipment and devices	Draft report issued Oct 2019		EMD
DoLS	 Final report issued Oct 2019		DON
Medicines Management (incl CDs & incidents)	 Final report issued Jun 2019		EMD
Discharge Planning (cfwd 17&18)	Scoping	Jan	DON
Mortality Reviews	AC approved deferral to 2020/21		EMD
Nursing Quality Assurance Checks (Follow up review)	Final report issued Nov 2019		DON
Information governance & security			
Discharge summaries	Dec	Jan	EMD
IT Application Systems	Draft report issued Oct 2019		CIO
IT Infrastructure Assets (Follow up)	Dec	Jan	CIO

Planned Output	Indicative audit start date	Indicative draft report date	Executive Lead
IT Digital Strategy /Clinical Information Reporting	Oct Feb	Dec Mar	CIO
Operational service and functional management domain			
HR&OD Directorate	Work started	Nov Dec	DOWOD
Primary Care and Community Services Unit	Final report with COO for review		COO
Mental Health & Learning Disabilities	 Final report issued Aug 2019		COO
Morrison Hospital – Cardiac Services	 Final report issued Aug 2019		COO
Continuing Health Care / Integrated Care Fund	Brief issued	Nov Dec	COO
H.S.D.U	 Final report issued Sep 2019		COO
Patient environment	 Final report issued Oct 2019		COO
Workforce management domain			
Workforce & Organisational Development Framework	Sep Nov	Nov Dec	DOWOD
Consultant Contract / Job Planning	Proposal to defer to 2020/21		EMD
Nurse Staffing Levels	 Final report issued Aug 2019		DON
DBS checking	Work closing	Dec	DOWOD
Nurse Rostering	Work started	Dec	DON
Locum on Duty	Scoping	Jan	EMD
Capital and Estates domain			
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
Informatics Modernisation Programme <i>c/fwd 18/19</i>	 Final report issued Jun 2019		COO
Capital Projects: Transitional Care Unit/Neonatal and Paediatrics Capacity <i>c/fwd 18/19</i>	 Final report issued Nov 2019		DOS
Major Strategic Investment Programmes: ARCH Programme <i>c/fwd 18/19</i>	Oct Nov 2019	Nov Dec 2019	DOS
Capital Projects: Primary and Community Care Infrastructure Projects <i>c/fwd 18/19</i>	Jul 2019	Sep Nov 2019	DOS
Environmental Sustainability Report	 Final report issued Oct 2019		COO
Carbon Reduction Commitment	 Final report issued Oct 2019		COO
Capital Systems – Financial Safeguarding	 Final report issued Nov 2019		COO
Estates Assurance: Management of Contractors	Sep 2019	Nov 2019	COO
Singleton Hospital Replacement Cladding	Oct Nov 2019	Dec Feb 2019	DOS
Primary and Community Care Infrastructure Projects	Jan Feb 2020	Mar Apr 2020	DOS
Environmental / Infrastructure Modernisation Programme	Jan 2020	Mar 2020	DOS
Informatics Modernisation Programme	Jan Feb 2020	Mar Apr 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		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.
Reasonable assurance		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.
Limited assurance		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.
No assurance		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.