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Swansea Bay University
Health Board



Meeting Date	12th March 2020	Agenda Item	3.1
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	Helen Higgs, 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 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
	✓		✓
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 		



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INTERNAL AUDIT PROGRESS REPORT

**Swansea Bay University Health Board
Audit Committee
12th March 2020**

**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 March 2020.

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 at its 26th February 2020 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)
1920-039	Workforce and OD Framework		DOWOD	AC, WODC
1920-042	DBS Checking		DOWOD	AC, WODC
1920-043	Nurse Rostering		DON&PE Cc DOWOD	AC

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

- 006 Health & Safety
- 030 IT Infrastructure Assets (Follow Up)

2.1.4 Work is in progress in respect of:

- 003 Risk Management & Board Assurance Framework (*Closing in March*)
- 004 Declarations of Interest, Gifts & Hospitality² (*Draft report imminent*)
- 008 Partnership: RPB (*Closing in March*)
- 011 Performance Management (*Fieldwork closed*)
- 013 Budgetary Control & Financial Reporting (*Fieldwork closed*)

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

² The title of this audit reflects the scope of work agreed under the SAP audit heading of Fraud, Theft & Corruption Policy Response Plan

- 025 Discharge Planning (*Fieldwork closed*)
- 028 Discharge Summaries (*Work starting*)
- 032 WOD Directorate (*Draft report imminent*)
- 036 Integrated Care Fund (*Fieldwork paused, to resume & close in March*)
- 044 Locum On Duty (*Fieldwork ongoing*)

2.1.5 There are two audits which we propose to defer for consideration within 2020/21:

Clinical Governance

Wales Audit Office is commencing its work on Quality Governance in April 2020. We therefore propose to defer this work on this area for inclusion in the 2020/21 draft audit plan. At that time the scope would incorporate consideration of action taken in response to WAO recommendations alongside a review of the effectiveness of operation of the quality & safety governance arrangements that are being put in place this year.

Digital Strategy / Clinical Reporting (Business Intelligence)

The Health Board's Annual plan had indicated that a draft Business Intelligence plan would be launched in Q3, followed by development of an implementation plan in Q4. The Board was updated in its Digital Services report in January 2020 that a draft plan for Business Intelligence was in development and will be released in Quarter 4 of 2019/20, outlining both the approach and the infrastructure required to deliver Business Intelligence and Analytics across Swansea Bay over the next 5 years. Noting the current position, we are proposing to defer our work into 2020/21 in order to review the agreed plan and its delivery.

These have been included within the latest Internal Audit Update Report and endorsed at the 26th February meeting of the Executive Board.

Noting the above we request that the Committee approve deferral of these reviews for consideration in the 2020/21 internal audit plan (they are already included indicatively within that plan).

2.1.6 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 early during the 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:

- Stores controls for FCP development
- *Quality & Safety Governance Group* terms of reference
- Mortality reviews
- Recommendation tracker for Director of Corporate Governance

2.2.2 Board Engagement

The Director of Audit & Assurance, Head of Internal Audit and Deputy are meeting with the Audit Committee Chair in March.


The Deputy Head of Internal Audit has continued to engage on the draft audit plan for 2020/21, meeting with the Director of Transformation and Executive Medical Director.

Additionally, the Deputy Head of Internal Audit has attended the 26th February meeting of the Executive Board to present the draft audit plan for endorsement.

3 SPECIALIST SERVICES UNIT

3.1 PROGRESSION OF THE 2019/20 CAPITAL AND ESTATES DOMAIN

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

Ref	Subject	Rating ³	Executive Officer Recipient(s)	Receiving C'ttee(s)
SSU 1819 04	Primary & Community Care Infrastructure projects		DOS & COO	AC

3.1.2 The draft report for the *Management of Contractors* audit was issued on 14th January 2020, with a draft report meeting subsequently held on 17th January 2020. Following receipt of additional information from management, a proposed final report was issued on 21st February 2020 for final agreement. Management response is awaited.

3.1.3 Work is in progress in respect of:

- ARCH Programme;
- Singleton Cladding project; and
- Capital and Estates assurance follow up reviews.

3.1.7 Further details are available at Appendix A as applicable.

³ Definitions of assurance ratings are included within Appendix B to this report.

4 OTHER MATTERS

4.1 DRAFT AUDIT PLAN 2020/21













- 4.1.1 The Internal Audit planning process for 2020/21 is complete. The Executive Board received and endorsed the Draft Audit Plan 2020/21 at its meeting on 26th February 2020. The Plan is presented under a separate paper, together with the Audit Charter, for discussion and approval by the Audit Committee.















5 ACTION

- 5.1 The Audit Committee is asked to note progress with delivery of the 2019/20 audit plan.
- 5.2 The Audit Committee is asked to agree to the deferral of the audit reviews requested for inclusion in the 2020/21 audit plan.

INTERNAL AUDIT PROGRESS AGAINST PLAN

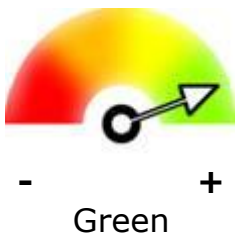
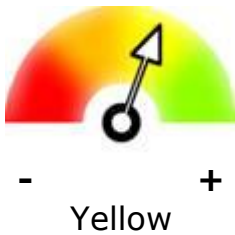

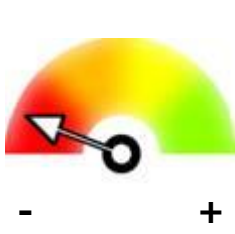
APPENDIX A

Planned Output	Indicative audit start date	Indicative draft report date	Executive Lead
Corporate governance, risk and regulatory compliance domain			
Health & Care Standards	Mar	May	DON&PE
Annual Governance Statement (<i>commentary</i>)	Apr (2020)	May (2020)	DOCG
Risk Management & Board Assurance Framework	Work in progress	Feb Mar	DOCG
Fraud, theft & corruption policy response plan: Declarations of Interest, Gifts & Hospitality	Draft report imminent	Dec Mar	DOCG
HTA - Mortuary <i>Interim report issued</i>	Final Interim Report Apr 2019		COO
HTA - Mortuary (<i>Part II</i>)	 Final report issued Nov 2019		COO
Health & Safety	Draft report issued Jan 2020		DON&PE
Fire Safety	AC approved deferral to 2020/21		DON&PE
Strategic planning, performance management and reporting domain			
Partnerships	Work in progress	Mar	DOS
IMTP ("Annual Plan: QIA")	 Final report issued Dec 2019		DOS & DON
Commissioning Healthcare Services / SLAs	Final report issued Oct 2019		DOS
Performance management and reporting	Fieldwork closed	Feb Mar	ADOP+COO
Out of Hours services	Final report issued Oct 2019		COO
Financial governance and management domain			
Budgetary control & financial reporting	Fieldwork closed	Feb Mar	DOF
General Ledger	 Final report issued Dec 2019		DOF
Welsh Risk Pool Claims	 Final report issued Sep 2019		DON+DOF
Procurement & Tendering	 Final report issued Dec 2019		DOF
Clinical governance, quality & safety domain			
Annual Quality Statement	Final report issued Jun 2019		DON
Clinical Governance / Clinical Services Plan	Deferral proposed		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	 Final report issued Dec 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)	Fieldwork closed	Feb Mar	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	Fieldwork starting	Mar	EMD
IT Application Systems	 Final report issued Jan 2020		CIO

Planned Output	Indicative audit start date	Indicative draft report date	Executive Lead
IT Infrastructure Assets (Follow up)	Draft report issued Feb 2020		CIO
IT Digital Strategy /Clinical Information Reporting	Deferral proposed		CIO
Operational service and functional management domain			
HR&OD Directorate	Draft report imminent	Jan Mar	DOWOD
Primary Care and Community Services Unit	 Final report issued Nov 2019		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	Closing March	Dec Mar	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	 Final report issued Feb 2020		DOWOD
Consultant Contract / Job Planning	AC approved deferral to 2020/21		EMD
Nurse Staffing Levels	 Final report issued Aug 2019		DON
DBS checking	 Final report issued Jan 2020		DOWOD
Nurse Rostering	 Final report issued Feb 2020		DON
Locum on Duty	Work ongoing	Jan Mar	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>	Work in progress	April 2020	DOS
Capital Projects: Primary and Community Care Infrastructure Projects <i>c/fwd 18/19</i>	 Final report issued Jan 2020		DOS, COO
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	Draft report issued Jan 2020		COO
Singleton Hospital Replacement Cladding	Work in progress	Mar 2020	DOS
Follow up (Estates Assurance)	Work in progress	Mar 2020	DOS / COO
Follow up (Capital)	Work in progress	Mar 2020	DOS

ASSURANCE RATINGS

APPENDIX B

RATING	INDICATOR	DEFINITION
Substantial assurance	 <p>- Green +</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.
Reasonable assurance	 <p>- Yellow +</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.
Limited assurance	 <p>- Amber +</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.
No assurance	 <p>- Red +</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.