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Swansea Bay University  
Health Board



<b>Meeting Date</b>	<b>19<sup>th</sup> September 2019</b>	<b>Agenda Item</b>	
<b>Report Title</b>	<b>Internal Audit Progress Report</b>		
<b>Report Author</b>	Neil Thomas, Deputy Head of Internal Audit, NWSSP A&A Huw Richards, Deputy Director, NWSSP A&A (SSu)		
<b>Report Sponsor</b>	Paula O'Connor, Head of Internal Audit, NWSSP A&A		
<b>Presented by</b>	Paula O'Connor, Head of Internal Audit, NWSSP A&A Huw Richards, Deputy Director, NWSSP A&A (SSu)		
<b>Freedom of Information</b>	Open		
<b>Purpose of the Report</b>	The main purpose of this report is to report progress in delivering agreed audit work.		
<b>Key Issues</b>	<p>The report presents:</p> <ul style="list-style-type: none"> <li>Progress in respect of the planning &amp; delivery of assignments agreed within the annual operational audit plan 2019/20.</li> <li>The audit assurance ratings of finalised reports.</li> </ul>		
<b>Specific Action Required</b> <i>(please ✓ one only)</i>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>
	✓		
<b>Recommendations</b>	<p><b>Members are asked to:</b></p> <ul style="list-style-type: none"> <li><b>Note the progress of the internal audit programme of work.</b></li> </ul>		



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**Private & Confidential**

## **INTERNAL AUDIT PROGRESS REPORT**

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**Swansea Bay University Health Board  
Audit Committee  
19<sup>th</sup> September 2019**

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**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

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 at the beginning of September 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. It remains flexible and we are continuing to liaise with Executive Directors to ensure the content and timing of audits is appropriate. Additionally, we continue to report regularly to the full Executive Board on progress and the outcomes of our work.

- 2.1.2 We have issued the following Final reports for consideration by the Committee:

Ref	Subject	Rating <sup>1</sup>	Executive Officer Recipient(s)	Receiving C'ttee(s)
1920-019	Infection Prevention & Control		DON&PE	AC, QSC
1920-020	Falls Prevention & Management		DON&PE	AC, QSC
1920-021	WHO Checklist		EMD	AC, QSC
1920-034	MH&LD Unit Governance		COO	AC
1920-035	Cardiac Services Risk Management		COO	AC, QSC
1920-037	HSDU		COO	AC, QSC
1920-041	Nurse Staffing Level Act		DON&PE	AC, QSC, WODC

<sup>1</sup> Definitions of assurance ratings are included within Appendix B to this report.

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

- 015 Welsh Risk Pool
- 023 Deprivation of Liberty Safeguards (Follow Up)
- 038 Patient Environment

2.1.4 Work is in progress in respect of:

- 009 Annual Plan: QIA
- 012 GP Out Of Hours Service
- 016 Procurement & Tendering (No PO, No Pay)
- 022 Medical Devices (paused in August, re-started in September)
- 030 Theatres IT System: TOMS
- 033 Unit Governance: Primary Care & Community Services

Following changes in our team, fieldwork in relation to Medical Devices was paused, but has now been re-allocated amongst the team and re-recommended in September.

2.1.5 The first of our temporary staff engagements has started with us and undertaking the *Annual Plan: Quality Impact Assessment* audit. The second starts in October and will be undertaking our *Financial Ledger* review.

2.1.6 Following preliminary planning in respect of *Mortality Reviews*, we have discussed the potential timing and scope of the audit with the Medical Director. Whilst the reported completion rates of "Stage 1" reviews continues to be positive, the key issue arising at previous audits of this subject has been the delayed completion of "stage 2" reviews and the mechanisms to demonstrate the sharing of lessons learned and assurance to the Board. This area of risk would be the natural focus of audit work.

However, we are aware from discussion with the Medical Director that this subject area is likely to be impacted in the near future by the incoming national Medical Examiner arrangements. A national appointment has been made to the post of Medical Examiner in NHS Wales and the process to appoint leads for Health Boards is ongoing. The Medical Examiner arrangements are scheduled to 'go live' from April 2020 and it is anticipated that they will bring about changes in the Health Board mortality review processes, though the nature of the changes is still unknown.

The Medical Director has therefore advised us that it would be preferable to defer work on this area until these new national arrangements have become operational, so that any recommendations emerging from our work fit with the new arrangements. He has recommended re-scheduling the audit for Q3 of

2020/21. In the meantime, the completion rate of stage 1 and stage 2 reviews will continue to be reported to the Quality & Safety Committee for scrutiny.

**We have agreed to bring this proposal to the Audit Committee for consideration and approval.**

- 2.1.7 The Deputy Head of Internal Audit met with the Director of Finance in September to discuss the potential for an internal audit review of financial governance arrangements within Units. Noting that there is resource allocated within our annual plan for an audit of *Budgetary Control & Financial Reporting* we are considering whether the scope could be focused differently this year to consider Unit arrangements in more depth. An external review of corporate financial controls and opportunities has been commissioned, so we intend reviewing the scope of that work and the papers of corporate meetings in order to determine potential internal audit work for further discussion and agreement with the Director of Finance.
- 2.1.8 The full schedule of audits and progress is attached at Appendix A. As noted earlier the plan continues to remain flexible. In addition to discussion with lead Executive Directors we are also reviewing the status of actions as recorded in the Health Board's online tracker to inform audit planning.

## **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:

- Brexit preparation guidance
- Healthcare Standards assessment approach
- Clinical Governance / Quality Framework
- Nurse Rostering Policy

### **2.2.2 Board Engagement**

The Head of Internal Audit has continued to meet with members of the Board:

- Chief Executive
- Director of Corporate Governance

### **3 SPECIALIST SERVICES UNIT**

#### **3.1 PROGRESSION OF THE 2019/20 CAPITAL AND ESTATES DOMAIN**

- 3.1.1 Proposed final reports have been issued for Executive lead approval in respect of the following assignments:
- Carbon Reduction Commitment (Mandated); and
  - Sustainability (Mandated).
- 3.1.2 The draft reports are currently being prepared for issue in respect of the:
- Transitional Care Unit / Neonatal and Paediatrics Capacity project; and
  - Capital Systems: Financial Safeguarding assignment.
- 3.1.3 We are currently awaiting information to enable the conclusion of the audit fieldwork in respect of the Primary and Community Care Infrastructure Projects audit. A draft report meeting is now scheduled for 20th September (previously scheduled for 30th August 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 Fieldwork has commenced in respect of the Management of Contractors assignment.
- 3.1.6 Further details are available at Appendix A as applicable.

### **4 OTHER MATTERS**

#### **4.1 RETIREMENT OF HEAD OF INTERNAL AUDIT**





- 4.1.1 The Health Board's current Head of Internal Audit, Paula O'Connor retires on 30<sup>th</sup> November 2019. The Director of Audit & Assurance is in discussion with the Health Board on arrangements for future leadership of the service. Further details will be provided to the Committee as due course.








### **5 ACTION**

- 4.1 **The Audit Committee is asked to note progress so far with delivery of the 2019/20 audit plan.**
- 4.2 **The Audit Committee is asked to agree deferral of the audit review of Mortality Reviews for re-scheduling in 2020/21, following the implementation of Medical Examiner arrangements in Wales.**

## INTERNAL AUDIT PROGRESS AGAINST PLAN

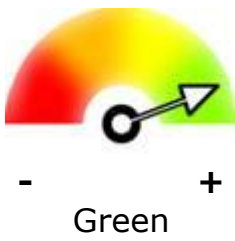
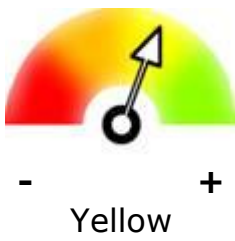

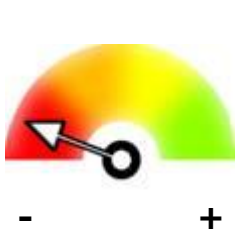
## APPENDIX A

Planned Output	Indicative audit start date	Indicative draft report date	Executive Lead
<b>Corporate governance, risk and regulatory compliance domain</b>			
HCS (mid year review)	Sep	Oct	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>	Interim Report finalised April 2019		COO
HTA - Mortuary <i>Re-scheduled audit</i>	Oct	Dec	COO
Health & Safety	Nov	Jan	DON&PE
Fire Safety	Dec	Jan	DON&PE
<b>Strategic planning, performance management and reporting domain</b>			
Partnerships	Oct	Nov	DOS
IMTP	Work in progress	Oct	DOS+ADOP
Commissioning Healthcare Services	Planning	Oct	DOS
Performance management and reporting	Jan	Feb	ADOP+COO
Out of Hours services	Work closing	Aug	COO
<b>Financial governance and management domain</b>			
Budgetary control & financial reporting	Oct	Dec	DOF
General Ledger	Oct	Nov	DOF
Welsh Risk Pool Claims	Draft report issued Aug 2019		
Procurement & Tendering	Work starting	Sep	DOF
<b>Clinical governance, quality &amp; safety domain</b>			
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	Re-started Sep	<del>Jan</del> Now Sep/Oct	EMD
DoLS	Draft report issued Aug 2019		DON
Medicines Management (incl CDs & incidents)	 FINAL report issued Jun 2019		EMD
Discharge Planning (cfwd 17&18)	Nov	Jan	DON
Mortality Reviews	Proposed deferral to 2020/21		EMD
Nursing Quality Assurance Checks (Follow up review)	Sep	Nov	DON
<b>Information governance &amp; security</b>			
Discharge summaries	Dec	Jan	EMD
IT Application Systems	Work starting	Oct	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	Dec	CIO
Operational service and functional management domain			
HR&OD Directorate	Oct	Nov	DOWOD
Primary Care and Community Services Unit	Work closing	Sep	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)	Sep	Nov	COO
H.S.D.U	 FINAL report issued Sep 2019		COO
Patient environment	Draft report issued Jul 2019		COO
Workforce management domain			
Workforce & Organisational Development Framework	Sep	Nov	DOWOD
Consultant Contract / Job Planning	Dec	Feb	EMD
Nurse Staffing Levels	 FINAL report issued Aug 2019		DON
DBS checking	Oct	Dec	DOWOD
Nurse Rostering	Oct	Dec	DON
Locum on Duty	Nov	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
Capital Projects: Environmental / Infrastructure Modernisation Programme <i>c/fwd 18/19</i>	 Final report issued June 2019		DOS
Capital Projects: Transitional Care Unit/Neonatal and Paediatrics Capacity <i>c/fwd 18/19</i>	Mar 2019	Sep 2019	DOS
Major Strategic Investment Programmes: ARCH Programme <i>c/fwd 18/19</i>	Sep 2019	Nov 2019	DOS
Capital Projects: Primary and Community Care Infrastructure Projects <i>c/fwd 18/19</i>	Jul 2019	Sep 2019	DOS
Environmental Sustainability Report	Draft report issued Jul 2019		COO
Carbon Reduction Commitment	Draft report issued Jul 2019		COO
Capital Systems – Financial Safeguarding	Jul 2019	Sep 2019	COO
Estates Assurance: Management of Contractors	Sep 2019	Nov 2019	COO
Singleton Hospital Replacement Cladding	Oct 2019	Dec 2019	DOS
Primary and Community Care Infrastructure Projects	Jan 2020	Mar 2020	DOS
Environmental / Infrastructure Modernisation Programme	Jan 2020	Mar 2020	DOS
Informatics Modernisation Programme	Jan 2020	Mar 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
<b>Substantial assurance</b>	 <p>-                      + Green</p>	The Board can take <b>substantial assurance</b> 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 <b>low impact on residual risk</b> exposure.
<b>Reasonable assurance</b>	 <p>-                      + Yellow</p>	The Board can take <b>reasonable assurance</b> 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 <b>low to moderate impact on residual risk</b> exposure until resolved.
<b>Limited assurance</b>	 <p>-                      + Amber</p>	The Board can take <b>limited assurance</b> 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 <b>moderate impact on residual risk</b> exposure until resolved.
<b>No assurance</b>	 <p>-                      + Red</p>	The Board has <b>no assurance</b> 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 <b>high impact on residual risk</b> exposure until resolved.