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Bwrdd Iechyd Prifysgol
Bae Abertawe
Swansea Bay University
Health Board



Meeting Date	19 September 2019	Agenda Item	5.4
Report Title	Review of Audit Registers and status of Recommendations		
Report Author	Andrew Biston, Head of Accounting and Governance		
Report Sponsor	Pamela Wenger, Director of Corporate Governance		
Presented by	Andrew Biston, Head of Accounting and Financial Governance		
Freedom of Information	Open		
Purpose of the Report	<p>To provide summary extracts of the Audit Registers for the Health Board which have been developed to monitor:</p> <ul style="list-style-type: none"> ➤ Delivery of the Audit Plans; ➤ Receipt of draft and final reports; and ➤ Health Board management responses to audit reports <p>To monitor the status of agreed audit recommendations.</p>		
Key Issues	<p>The Audit Registers have been fully updated as at 23rd August, 2019, these show when reports were expected by the Health Board, as set out in the original audit plans, the dates they were received and whether management responses were made on a timely basis.</p> <p>There has been a decrease in the number of overdue recommendations during the period June 2019 to August 2019.</p>		
Specific Action Required (please choose one only)	Information	Discussion	Assurance
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recommendations	<p>Members are asked to:</p> <ul style="list-style-type: none"> • Note The current position of the Audit Registers and the status of the Action Plans. 		

1.0 INTRODUCTION

1.1. This report provides the Audit Committee with summary extracts of the Audit Registers for the Health Board which have been developed to monitor: -

- Delivery of the Audit Plans;
- Receipt of draft and final reports; and
- Health Board management responses to audit reports

1.2. In addition, the status of agreed audit recommendations is monitored and included within this report.

2.0 BACKGROUND

2.1 A detailed review of the audit registers has been undertaken by the Head of Accounting & Financial Governance, Director of Corporate Governance and Head of Internal Audit focussing on the outstanding audit recommendations listed on the audit registers. This review identified outstanding actions which have been superseded by subsequent audit reports or are no longer valid and these have been removed from the audit registers. A similar review has also been undertaken with Wales Audit Office.

2.2 The reports remaining on the audit registers have been fully updated as at 23rd August 2019, and these show when reports were expected by the Health Board, as set out in the original audit plans, the dates they were received and whether management responses were made on a timely basis. Updates made to the audit registers after 23rd August 2019 are not reflected in this report.

2.3 Summary extracts for both internal and external audit are set out in the sections below:

External Audit Register (2018 Audit Plan) (Appendix A)

Delivery of the 2018 plan is summarised below:

- **Financial Accounts Work (2017/18):** All work is now complete.
- **Performance Work:**
 - Thematic Review – Orthopaedic Services Follow Up – Fieldwork is in progress.
 - Thematic Review – Consultant Contract Follow Up Review- Fieldwork will conclude in September with the report due to come to Audit Committee in November 2019.

External Audit Register (2019 Audit Plan (Appendix B))

Delivery of the 2019 plan is summarised below:

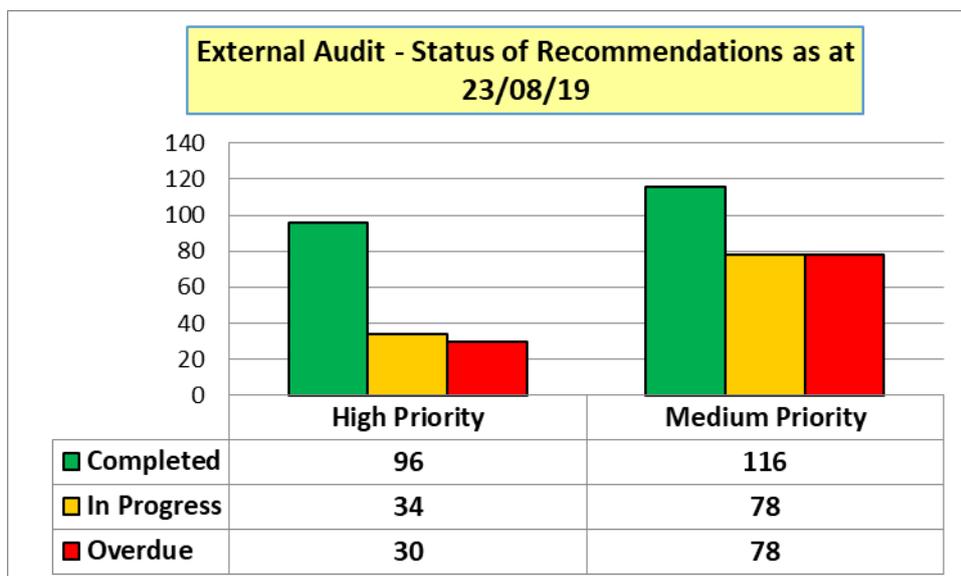
- **Financial Accounts Work (2018/19):** Main accounts work is completed and was reported to Audit Committee in May 2019. The Charitable Funds Audit work is currently ongoing. The audit of the S1/S2 Bridgend boundary change accounts separation commenced on 10th September.
- **Performance Work:**
 - NHS Structured Assessment (2019): Fieldwork has commenced.
 - Quality Governance – Scoping is taking place in collaboration with Healthcare Inspectorate Wales.
 - Implementing the Well Being of Future Generations Act – Report being drafted.

External Audit Action Plans

Action plans are all available on the Finance Portal through SharePoint for managers and executives to access and update throughout the year. Training has been provided to executives and named managers within the action plans. The deadlines for the reporting periods to the Executive Team and then onto Audit Committee are clearly set out within the file set up.

It should also be noted that the charts and tables within this report only include Audit reports relating to the 2018/19 and 2019/20 Audit Plans, unless there are recommendations that have not yet been reported as completed from previous years, and so these continue to be monitored this year, and reported to the Committee.

The status of external audit recommendations is shown in the chart below.



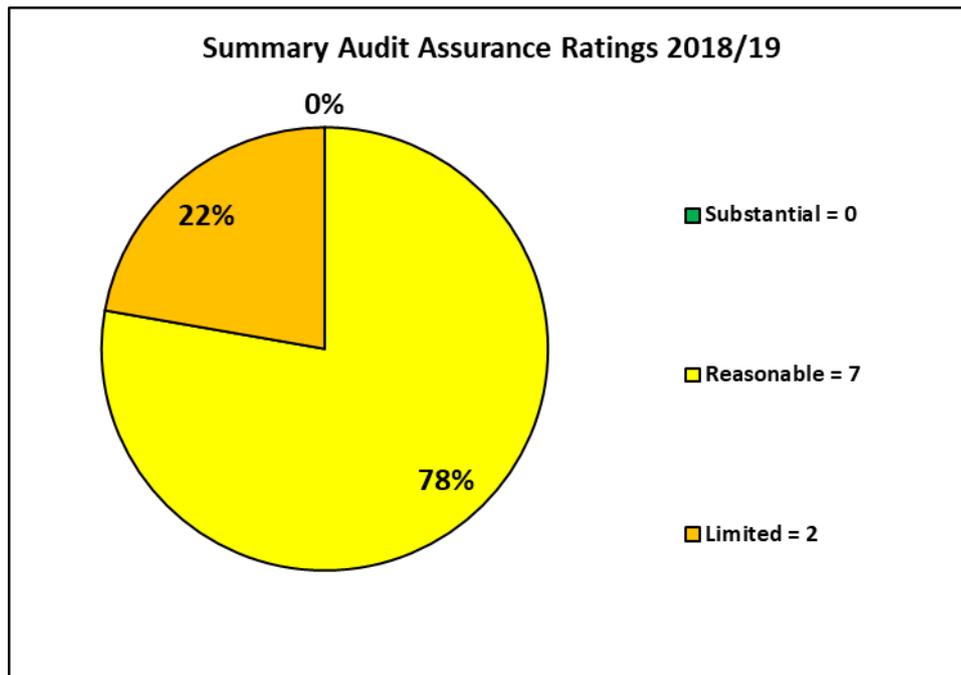
At this point, the overdue recommendations for external audit reports relate to:

Row Labels	Sum of High Priority Overdue	Sum of Medium Priority Overdue	Longest Overdue (Days) as at 28/12/2018	Longest Overdue (Days) as at 22/02/2019	Longest Overdue (Days) as at 21/06/2019	Longest Overdue (Days) as at 23/08/2019
COO - Chris White	17	16				
Review of Follow-up Outpatient Appointments	1	0	1093	1149	1268	1331
A Comparative Picture of Local Orthopaedic Services	1	0	272	328	447	510
Radiology Service	0	4	423	479	598	661
Discharge Planning	0	12	303	359		541
Primary Care Services	15	0			113	176
DoN - Gareth Howells	0	1				
Maternity Services Follow-up Review	0	1	546	602	721	784
MD - Richard Evans	0	61				
NHS Consultant Contract: Follow Up of Previous Audit Reco	0	61	667	723	842	905
Grand Total	30	78				

Taking into account noted revised target implementation dates, the table above would remain the same for high priority recommendations. The medium priority recommendations would reduce to 16, the reduction relating to Medical Director – NHS Consultant Contract: Follow up of Previous Audit Recommendations. It must be noted that the consultant contract report recommendations reflect the fact that each recommendation has been replicated 6 times to reflect the 6 SDU's as requested by the former Medical Director. It must be noted that the Consultant Contract Follow Up Review is nearing completion and it is likely that the recommendations in this report will then be used going forward replacing the recommendations from 2015.

NWSSP Audit & Assurance Audit Register 2019/20 (Appendix C)

As at 23rd August 2019, 11 final reports have been issued which included 2 reports without an assurance rating (Corporate governance, risk and regulatory compliance) HTA – Mortuary Interim report issued and (Clinical Governance quality and safety) Annual Quality Statement. The assurance ratings on the 9 reports where ratings were issued are summarised in the chart below:

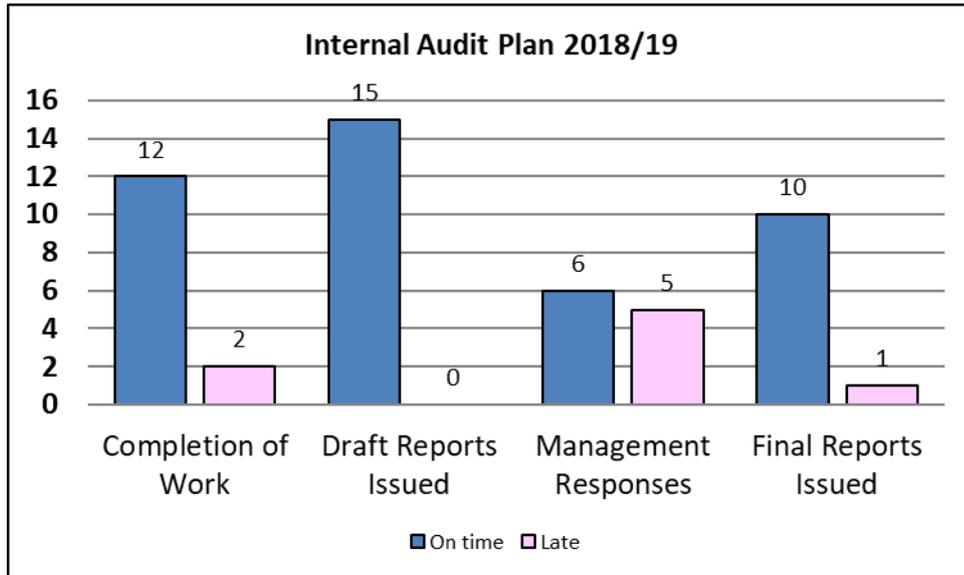


Key Performance Indicators

There are KPIs established for measuring the overall delivery of the audit plans which are set out below:

1. Completion of Work - Was the review work completed in the quarter planned?
2. Draft Reports Issued - Was the draft report received within 14 days of the review work being completed?
3. Management Responses - Were management responses received within 21 days of the draft report being issued?
4. Final Reports - Was the final report received within 14 days of management responses being received by NWSSP Internal Audit (including the completed Action Plan)?

The chart below summarises the position against the KPIs as at 23rd August 2019:



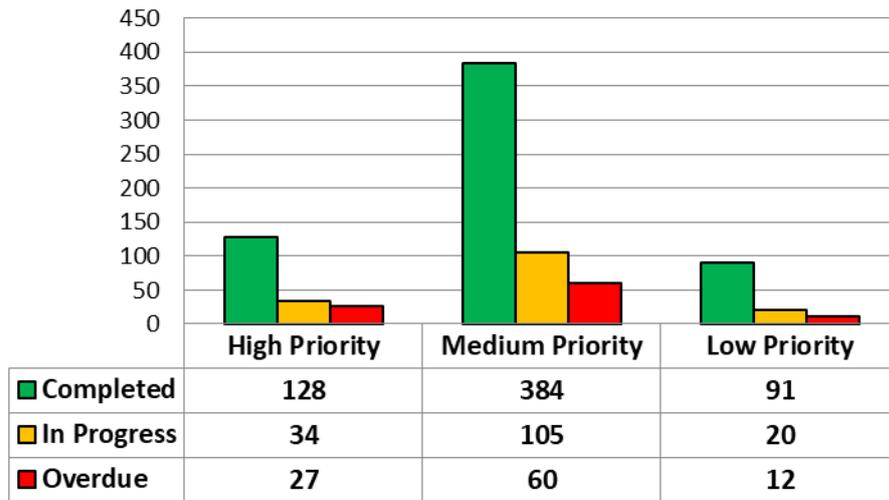
NWSSP Audit & Assurance Action Plans

The action plans for all reports are available on the Finance Portal through SharePoint for managers and executives to access and update throughout the year. Training has been provided to executives and named managers within the action plans. The deadlines for the reporting periods to the Executive Team and then onto Audit Committee are clearly set out within the file set up.

It should also be noted that the charts and tables within this report only include Audit reports relating to the 2017/18 and 2018/19 Audit Plans, unless there are recommendations that have not yet been reported as completed from previous years, and so these continue to be monitored this year, and reported to the Committee. During the recent reporting cycle there have been software issues with the sharepoint site which have been reported to I.T. These issues required some staff to update the registers on more than one occasion as the updates made had not been saved. This issue has now been resolved.

The status of internal audit recommendations is shown in the chart below, this being based on the original date agreed for implementation of the agreed recommendation.

Internal Audit - Status of Recommendations as at 23/08/19



At this point, the overdue recommendations for internal audit reports relate to:

Row Labels	Sum of High Priority Overdue	Sum of Medium Priority Overdue	Sum of Low Priority Overdue	Audit Rating	Longest Overdue (Days) as at 28/12/18	Longest Overdue (Days) as at 22/02/19	Longest Overdue (Days) as at 21/06/19	Longest Overdue (Days) as at 23/08/19
Director of Strategy	1	5	0					
Strategy & Planning Directorate	1	2	0	Reasona	28	84	203	266
Systems: Declarations of Interest & Risk Management	0	3	0	Reasona	0	0	52	115
Director of Corporate Governance	1	0	0					
Golau Governance Review (Follow Up)	1	0	0	Limited	0	114	81	81
Medical Director	2	1	2					
Mortality Reviews follow up	0	0	2	Limited	272	328	447	510
Mortality Review (Follow Up)	2	0	0	Limited	338	394	291	235
Medical Locum Cover (Follow Up)	0	1	0	Limited				54
Chief Operating Officer	6	24	6					
Disability Discrimination	0	1	0	Reasona	119	175	294	357
Dignity & Respect (Follow Up)	0	3	0	Reasona	636	663	811	874
Security Framework (Follow Up)	0	1	0	Limited	362	418	537	600
Neath Port Talbot Operational PFI	0	2	0	Reasona	0	449	568	631
Backlog Maintenance	1	1	1	Limited	150	206	325	388
MH&LD Governance	0	0	2	Reasona	331	387	506	569
Data Quality: Mental Health Measures (Follow Up)	0	2	0	Reasona	330	386	505	568
Primary Care: Core Quality & Delivery Measures	0	1	0	Reasona	58	114	233	296
GP Managed Practice	1	2	0	Reasona	105	161	280	343
Morrison Delivery Unit Governance Review	1	8	0	Limited	58	114	233	296
Delayed Follow Ups	3	3	0	Limited	58	114	233	296
IT Planet FM System	0	0	3	Reasona	0	0	21	84
Director of Human Resources	6	7	0					
Statutory & Mandatory Training Progress	0	2	0	Limited	392	448	567	630
Staff Performance Mgt & Appraisals	0	1	0	Limited	361	417	536	599
Sickness Absence Management: Follow Up	1	0	0	revised	58	114	233	233
European Working Time Directive	2	1	0	Limited	118	174	293	356
Statutory and Mandatory Training (Follow Up)	0	1	0	Reasona	0	0	20	83
Junior Doctor Bandings (follow up)	0	1	0	Limited	0	0	20	83
Staff Performance Management and Appraisals	3	1	0	Reasona	0	0	52	52
Director of Public Health	0	1	0					
Vaccination & Immunisation	0	1	0	Limited	115	171	290	353
Director of Nursing	11	20	3					
Health & Safety - Primary Care Estates	0	2	0	Reasona	0	206	325	325
Funded Placements in Non-NHS Settings Follow Up Re	2	0	0	Limited	484	540	659	722
DoLS Follow Up	1	0	0	Limited	89	145	233	296
Pressure Ulcers (Follow Up)	0	1	0	Reasona	28	22	140	203
Fire Safety (Follow Up)	1	1	0	Limited	0	84	113	176
Health and Safety: Follow Up	0	1	2	Reasona	0	0	112	175
Nursing Quality Assurance	1	0	0	Limited	0	0	52	23
Risk Management & Assurance II	0	7	0	Limited	0	0	21	56
COSHH	3	5	1	Limited				84
Safe Water Management (including Legionella)	3	1	0	Limited				23
AQS	0	2	0	n/a				53
Director of Performance	0	2	1					
Performance Management & Reporting 18/19	0	1	1	Reasona				56
Performance Management & Reporting 17/18	0	1	0	n/a				56
Grand Total	27	60	12					

In certain circumstances, factors beyond the control of the implementing officer may mean that the agreed date for implementation of the recommendation cannot be agreed and a revised target implementation date is agreed. Taking into account noted revised target implementation dates, the table above would reduce to 14 high, 39 medium and 8 low priority as shown on the table below:

Row Labels	Sum of High Priority Overdue2	Sum of Medium Priority Overdue2	Sum of Low Priority Overdue2
Director of Strategy	1	5	0
Medical Director	2	1	2
Chief Operating Officer	5	24	5
Director of Finance	0	0	0
Director of Human Resources	6	6	0
Director of Public Health	0	1	0
Director of Performance	0	2	1
Director of Nursing	0	0	0
Grand Total	14	39	8

It should be noted that the lead Executive Director named on each report is reflective of the current Executive Director Portfolio of responsibilities at the date of update of the audit registers (23rd August 2019). It must be noted that a small number of reports have now been moved under the portfolio of the Director of Performance and recorded for the first time in the table below.

Since the July 2019 Audit Committee there has been an improvement in the progress in implementing the outstanding internal audit recommendations with the number of overdue recommendations decreasing from 86 to 61. The table below shows a comparison of outstanding recommendations as at 23rd August 2019 as compared to the status as at 21st June 2019.

Director	Overdue at 23rd August	Overdue at 21st June	Change
Director of Strategy	6	13	-7
Medical Director	5	18	-13
Director of Therapies	0	0	0
Chief Operating Officer	34	37	-3
Director of Finance	0	0	0
Director of Human Resources	12	17	-5
Director of Public Health	1	1	0
Director of Nursing	0	0	0
Director of Performance	3	0	3
Director of Corporate Governance	0	0	0
Total	61	86	-25

This decrease can be analysed by priority as follows:

Priority	Overdue at 23rd August	Overdue at 21st June	Change
High	14	18	-4
Medium	39	55	-16
Low	8	13	-5
Total	61	86	-25

3.0 GOVERNANCE AND RISK ISSUES

- 3.1 There are significant governance risks arising from delays in implementing management responses to both Internal and External Audit reports particularly in areas where reports highlight limited assurance. It is pleasing to note the reduction in the number of outstanding and overdue audit recommendations since July but it is imperative that management actions continue to be implemented on a timely basis in order to further reduce the number of overdue recommendations.

4.0 FINANCIAL IMPLICATIONS

- 4.1 Whilst there are no direct financial implications which need to be highlighted in this report, there may be issues arising from individual audit reports which have financial implications, where cost may need to be incurred in order to implement audit recommendations or where areas of limited assurance may have financial implications for the health board.

5.0 RECOMMENDATIONS

- 5.1 The Audit Committee is asked to note the current position of the Audit Registers, the status of the Action Plans and the decrease since July in the number of overdue recommendations.

Governance and Assurance		
Link to Enabling Objectives <i>(please choose)</i>	Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities	
	Partnerships for Improving Health and Wellbeing	<input type="checkbox"/>
	Co-Production and Health Literacy	<input type="checkbox"/>
	Digitally Enabled Health and Wellbeing	<input type="checkbox"/>
	Deliver better care through excellent health and care services achieving the outcomes that matter most to people	
	Best Value Outcomes and High Quality Care	<input type="checkbox"/>
	Partnerships for Care	<input type="checkbox"/>
	Excellent Staff	<input type="checkbox"/>
	Digitally Enabled Care	<input type="checkbox"/>
	Outstanding Research, Innovation, Education and Learning	<input type="checkbox"/>
Health and Care Standards		
<i>(please choose)</i>	Staying Healthy	<input type="checkbox"/>
	Safe Care	<input type="checkbox"/>
	Effective Care	<input type="checkbox"/>
	Dignified Care	<input type="checkbox"/>
	Timely Care	<input type="checkbox"/>
	Individual Care	<input type="checkbox"/>
	Staff and Resources	<input type="checkbox"/>
Quality, Safety and Patient Experience		
<p>A number of the audit reports identifies as having outstanding recommendations impact on quality, safety and patient experience. It is therefore essential that where audit recommendations are made in these reports that they are acted upon with leadership from the relevant Executive Director. Reports addressing quality and safety issues are discussed in more detail in the Quality % Safety Committee.</p>		
Financial Implications		
<p>Whilst there are no direct financial implications which need to be highlighted in this report, there may be issues arising from individual audit reports which have financial implications, where cost may need to be incurred in order to implement audit recommendations or where areas of limited assurance may have financial implications for the health board.</p>		
Legal Implications (including equality and diversity assessment)		
<p>Issues raised in the internal audit reports particularly in the areas of health and safety need to be addressed as failure to do so may lead to legal action being taken against the health board where statutory and health and safety issues are not addressed through implementation of audit report recommendations.</p>		
Staffing Implications		
<p>There are no staffing implications associated with this paper.</p>		
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)		

Depending on the issues raised in the audit reports and the recommendations required to address the issues raised there may be implications under the Well-being of Future Generations (Wales) Act 2015, 5 ways of working. Measures to be put in place to address the recommendations arising from the reports will need to ensure that the following issues are addressed

- The balancing short-term needs to address the recommendation with the need to safeguard the ability to also meet the long-term needs.
- Ensuring that the actions taken to implement the agreed recommendations is done in a way that prevents the issues raised re-occurring or getting worse
- Ensuring that where it is recommended that the health board acts in collaboration with other organisations to ensure compliance with its' well-being objectives.

Report History

This report is a regular report to each meeting of the Audit Committee.

Appendices

Appendices A, B and C