

**FINAL INTERNAL AUDIT REPORT
2018/19**

ABM University Health Board

**Health and Safety (Follow Up)
(ABM-1819-008)**

Private and Confidential

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

CONTENTS	Page
1. EXECUTIVE SUMMARY	3
1.1 Introduction and Background	3
1.2 Scope and Objectives	3
1.3 Associated Risks	3
2. CONCLUSION	3
2.1 Overall Assurance Opinion	3
3. KEY FINDINGS & RECOMMENDATIONS	4
3.1 Key Findings	4
3.2 Design of System / Controls	4
3.3 Operation of System / Controls	4
3.4 Summary of Recommendations	5

Appendix A	Progress against previously agreed actions
Appendix B	Audit Assurance Ratings & Recommendation Priorities
Appendix C	Responsibility Statement
Appendix D	Updated Management Action Plan

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EXECUTIVE SUMMARY

1.1 Introduction and Background

This assignment originates from the 2018/19 internal audit plan.

In 2017/18 an internal audit review reported limited assurance in respect of the Health & Safety management framework. It identified a lack of monitoring of the Health & Safety improvement plan and weaknesses in the reporting line to the Board/Quality & Safety Committee. Actions were agreed to address the issues raised.

The purpose of this review was to assess the progress made in implementing key actions remaining following the last review.

1.2 Scope and Objectives

The overall objective of this audit was to review progress made by management to implement action agreed to address key issues identified during the 2017/18 audit review of Health and Safety.

This was a follow up audit and as such the audit scope focused on progress made in those areas highlighted previously as requiring management action only.

1.3 Associated Risks

Potential risks to the areas subject to audit review include:

- Unclear organisational structure and relationships;
- Ineffective strategy to tackle requirements;
- Ineffective performance management;
- Inadequate reporting of assurances and risks to the Board.

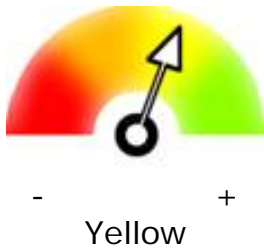
2 CONCLUSION

2.1 Overall Assurance Opinion

We are required to provide an opinion as to the adequacy and effectiveness of the system of internal control under review. The opinion is based on the work performed as set out in the scope and objectives within this report. The last audit review of this area derived a *limited* assurance rating.

Since that audit there has been re-organisation of the health and safety committee and group structures that included the newly formed Health and Safety Committee (sub-group of the Board) and the Operational Health and Safety Group (OHSG).

The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with Health and Safety is Reasonable Assurance.

RATING	INDICATOR	DEFINITION
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.

The overall level of assurance that can be assigned to a review is dependent on the severity of the findings as applied against the specific review objectives and should therefore be considered in that context.

3 KEY FINDINGS & RECOMMENDATIONS

3.1 Key Findings

The last audit made six recommendations, of which two were low, two were medium and two were high priority. Progress can be summarised as follows:

- One has been addressed (1 x high priority);
- Three have been partly addressed (1 x high, 2 x medium priority);
- Two have not been addressed (2 x low priority).

Findings are reported in more detail within Appendix A with issues and recommendations at Appendix D.

3.2 Design of System / Controls

The findings from the review have highlighted two issues that are classified as weaknesses in the system/control design.

3.3 Operation of System / Controls

The findings from the review have highlighted four issues that are classified as weaknesses in the operation of the designed system/control.

3.4 Summary of Recommendations

The audit findings and recommendations are detailed in Appendix A together with the management action plan and implementation timetable.

A summary of these recommendations by priority is outlined below.

Priority	H	M	L	Total
Number of recommendations	0	3	2	5

PROGRESS AGAINST PREVIOUSLY RECOMMENDED ACTIONS

APPENDIX A

Prev Ref	Previous Audit Finding	Previous Audit Recommendation	Priority	Management Response and Agreed Action	Progress on Implementation	Further Actions Required
1 (D)	The Health & Safety Policy is supported by supplementary subject-specific policies. Whilst their existence is recognized in the main policy, the individual titles are not cross-referenced for staff information.	Whilst individual, subject specific policies may not fall to the Health & Safety team to administer, we would recommend that an appendix be added to the main Health & Safety Policy listing related supplementary policies to sign-post staff towards them and support policy review.	M	Revised List to be added. Quality and Safety to be appraised of changes.	NOT ADDRESSED At the meeting between Audit, the Head of Health & Safety and the Assistant Director of Strategy it was confirmed that the policy had not been amended due to concerns that the list of policies and procedures would vary on a regular basis and this would result in the policy requiring frequent amendments. The Assistant Director of Strategy proposed an alternative solution by incorporating a hyperlink in the policy to an externally managed list to address this issue. This is yet to be formalised or included in the policy.	Rec 1, Appx D
2 (D)	Enhancements have been made to the HSC Action Log layout to promote follow up at subsequent meetings. Currently, it only records actions arising from the preceding meeting, but does not highlight those agreed at earlier meetings.	We would recommend that actions not completed from earlier meetings be included and labelled in successive action logs until completed and labelled with the original meeting reference and date.	L	Agreed to enhance current log to be a rolling log of all actions.	PARTLY ADDRESSED To determine whether actions were being progressed, reported and closed Internal Audit firstly reviewed the actions recorded in the Operational Health & Safety Group minutes for May, July and October 2018. It was noted that three actions had carried over and remained open for tracking on the Action Log (H&S 2017	Rec 2, Appx D

Prev Ref	Previous Audit Finding	Previous Audit Recommendation	Priority	Management Response and Agreed Action	Progress on Implementation	Further Actions Required
					<p>058, H&S 2917 061 and H&S 2017 062).</p> <p>A second sample test was undertaken to determine whether actions recorded in the July minutes of the OHSG were all transferred onto the action log. Four actions in the action log were not recorded as having been discussed in the meeting minutes (H&S 2018 003, H&S 2018 009, H&S 2018 010 and H&S 2018 016) and one was open in the action log but closed in the minutes (H&S 2017 062).</p> <p>The narrative description in the Action Log is limited and insufficient to enable the Group to understand what action is required. For example, reference H&S 2017 061 'Funding etc.' The limited description has also resulted in a duplication action with H&S 2018 030 "Hoist replacement programme"</p> <p>Whilst carrying out the review we noted that in order to trace the minutes where the original issue / action was raised we were able to do so by following the sequential numbering</p>	

Prev Ref	Previous Audit Finding	Previous Audit Recommendation	Priority	Management Response and Agreed Action	Progress on Implementation	Further Actions Required
					used in the referencing, however, There was no date in the Action Log to indicate at which meeting the Action was logged to enable the Group to monitor the timeliness of progress and completion of actions.	
3 (O)	Whilst improvement is evident in that papers are now circulated before meetings, the lead time is still relatively short, at 2-3 days ahead.	We would recommend that the circulation lead-time be extended. A week would match the practice adopted at Board level and should be sufficient.	L	Revised paper approval process to be put in place to ensure timely circulation of papers 7 calendar days before the meeting.	NOT ADDRESSED The issued date of the Group or Committee meeting papers were reviewed to establish if a lead time of seven calendar days had been complied with. From our sample testing of the last three OHSG and the last meeting of the newly formed HSC, papers were being issued to members in less than the seven days prescribed.	Rec 3, Appx D
4 (O)	Whilst there is evidence of information relating to some of the KPIs agreed being received at the HSC, this is not presented periodically as a whole to give a full picture of the position during the year.	We would recommend that the HSC receive a paper summarising of performance against each of its KPIs on a regular basis (minimum six-monthly). This should include a summary position in respect of the number of actions completed out of those planned within the annual plan.	M	Develop a 6 monthly summary report to provide high level half year reviews of KPI performance and incorporate it in 2018/19 work plan.	PARTLY ADDRESSED The head of health and safety presented proposed KPIs to the Operational Health and Safety Group for approval in July 2018. The Operational Health & Safety Group considered the suitability of the current set of key performance indicators for 2018/19 with the intention to include additional indicators for fire risk	Rec 4, Appx D

Prev Ref	Previous Audit Finding	Previous Audit Recommendation	Priority	Management Response and Agreed Action	Progress on Implementation	Further Actions Required
					<p>assessments.</p> <p>As such we reviewed the Annual Report 2017/18 against KPIs agreed in 2017. Going forward, the expectation is that the Health and Safety Committee will receive a six monthly summary report. Whilst the Annual Report included KPIs, we noted some exceptions. Fire Safety Notices were reported but not the number of notices or progress towards compliance and HSE interventions did not report the charges the Health Board had incurred.</p>	
5 (O)	An improvement plan has been developed and received by the HSC, but progress against has not been monitored at the HSC.	We would recommend that to monitor and manage improvement effectively, every meeting of the HSC receive a copy of the health & safety improvement plan updated to record in traffic light format the status of planned actions due and comment for those not yet achieved.	H	Reintroduce RAG rating of current actions within the work plan. Where progress is not green explanation of plans to deliver the actions to be set out. Plan with progress indicated as above to be considered regularly at meetings.	<p>PARTLY ADDRESSED</p> <p>The Health & Safety Department have also produced a Health & Safety (Improvement) Plan 2018/19. The first fully populated version of the Plan was presented to the Operational Health & Safety Group in October 2018. It was noted during the review of the Plan that not all actions and timescales adhered to the principles of SMART objectives, for example; Units were required to complete some actions but not all of the actions, key outcomes and timescales were clear as to what</p>	Rec 5, Appx D

Prev Ref	Previous Audit Finding	Previous Audit Recommendation	Priority	Management Response and Agreed Action	Progress on Implementation	Further Actions Required
					<p>was expected from them operationally. Although the final column of the plan shows target milestone dates, the heading "KPI" would only relate to the delivery of the plan itself. Audit also note the use of "ongoing" for some actions.</p> <p>There have only been two meetings since the OHSG formed and all Units Departments had representation in at least one of the meetings. Looking back, with the exception of Primary Care, all Units had representation at the former H&S Committee.</p> <p>The intention was to provide progress updates to the Health & Safety Committee on this plan going forward, as noted in the Health & Safety Committee work plan. The next meeting of the Health & Safety Committee now scheduled for 3rd December 2018.</p>	
6 (O)	There were concerns raised within the Health & Safety reports to the Assurance & Learning Group which did not feature in the exception reports to Quality & Safety Forum	Changes in reporting arrangements may follow Board level discussion of Committee arrangements and this may result in changes to the routine reporting lines up to the Board on health & safety matters. Whatever arrangements are	H	Assurance and Learning Paper to include a new section recommending areas for escalation to Quality and Safety Forum Assurance and Learning Paper to become a	<p>ADDRESSED</p> <p>The Head of Health and Safety included a section called "Concerns to be escalated" in his report to the Assurance and Learning group, March and May 2018. The group had not met again until October 2018. However, recently, the Executive Team reviewed</p>	

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	<p>(and so did not reach the Quality & Safety Committee). The Health & Safety reports did not make specific recommendations in respect of further escalation which could have assisted in determining what information to report further.</p>	<p>implemented we would recommend that reports on health & safety matters make clear recommendations in respect of matters requiring escalation during the year for consideration and action by the group receiving them.</p>		<p>standing agenda item on Health and Safety Committee Agenda</p>	<p>the terms of reference of the Assurance and Learning group and agreed the Assurance and Learning group will focus on learning, sharing and improving events. As such, the Health & Safety Group will no longer report into the Assurance & Learning Group or to the Quality and Safety Forum.</p> <p>Although Health & Safety Committee meetings have not taken place as planned Internal Audit noted that the Head of Health & Safety had escalated notification of a Health and Safety Executive Inspection to the Director of Strategy in a timely manner.</p>	

Audit Assurance Ratings



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

Prioritisation of Recommendations

In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows.

Priority Level	Explanation	Management action
High	Poor key control design OR widespread non-compliance with key controls. PLUS Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in control design OR limited non-compliance with established controls. PLUS Some risk to achievement of a system objective.	Within One Month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. These are generally issues of good practice for management consideration.	Within Three Months*

* Unless a more appropriate timescale is identified/agreed at the assignment.

Confidentiality

This report is supplied on the understanding that it is for the sole use of the persons to whom it is addressed and for the purposes set out herein. No persons other than those to whom it is addressed may rely on it for any purposes whatsoever.

Audit

The audit was undertaken using a risk-based auditing methodology. An evaluation was undertaken in relation to priority areas established after discussion and agreement with the Health Board.

Internal control, no matter how well designed and operated, can provide only reasonable and not absolute assurance regarding the achievement of an organisation's objectives. The likelihood of achievement is affected by limitations inherent in all internal control systems. These include the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

A basic aim is to provide proactive advice, identifying good practice and any systems weaknesses for management consideration.

Responsibilities

Responsibilities of management and internal auditors:

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we may carry out additional work directed towards identification of fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, cannot ensure fraud will be detected. The organisation's Local Counter Fraud Officer should provide support for these processes.

MANAGEMENT ACTION PLAN

APPENDIX D

Audit Source:	Internal Audit	Audit Year:	2018/19
Report Ref:	ABM-1819-008	Title:	Health and Safety: Follow Up
Report Issued:	21/11/2018	Overall Assurance Opinion:	Reasonable
Lead Executive:	Sian Harrop-Griffiths	Version:	Final v1.0

New Finding Ref	Findings	Impact (Internal Audit)	Recommendation	Priority	Management Response	Responsible Officer	Deadline
1 (D)	As in the previous audit, (ABM-1718-009) subject specific policies were not detailed in an appendix to sign-post staff towards them and support policy review. The Assistant Director of Strategy confirmed the policy had not been amended due to concerns that the list of policies and procedures would vary on a regular basis. The Assistant Director of Strategy proposed an alternative solution by incorporating a hyperlink in the policy. This has not yet been formalised or included in the policy.	Lack of clarity for staff and management regarding the totality of health & safety policies in place.	We would recommend that an appendix be added to the main Health and Safety Policy listing hyperlinks for supplementary policies or alternative mechanism to sign post staff be put in place.	M	Agreed. Hyperlink now inserted into on line H&S policy which directs the reader to a live list of policies to be managed by H&S thereby keeping the system live. This has already been implemented.	Laurie Higgs, Head of Health and Safety	30/11/2018
2 (D)	The narrative description in the Action Log is limited and insufficient to enable the Group to understand what action is required. For example, reference H&S2017 061 "Capital Funding". The limited description has also resulted in a duplication action with H&S2018 030 "Hoist replacement programme". Also, there is no date in the Action Log to indicate at which meeting the Action was logged.	The Group is unable to fully consider the Actions that were identified nor are they able to monitor timeliness of completion of those actions.	The current format and content of the Action Plan should be reviewed to ensure that the Action described is SMART. The minute reference should also include the date of which meeting the action was logged to enable the Group to monitor the timeliness of progress and completion of actions. (The format of the Action Logs produced for Audit Committee/Q&S Committee should be considered).	L	Agreed. Log will be updated over the next two health and safety group meetings to incorporate the suggestions put forward.	Laurie Higgs, Head of Health and Safety	01/03/2019

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