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Bwrdd Iechyd Prifysgol
Abertawe Bro Morgannwg
University Health Board



Meeting Date	28th January 2020	Agenda Item	4.1
Report Title	Audit & Assurance Assignment Summary Report		
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Report Sponsor	Helen Higgs, Head of Internal Audit, NWSSP A&A		
Presented by	Neil Thomas, Deputy Head of Internal Audit, NWSSP A&A		
Freedom of Information	Open		
Purpose of the Report	To advise the Quality & Safety Committee of the outcomes of finalised Internal Audit reports.		
Key Issues	<p>The Audit Committee looks to other Board Committees to monitor the effectiveness of action taken in response to risks and issues raised in internal audit reports.</p> <p>The key audit report(s) for Quality & Safety Committee consideration is/are:</p> <ul style="list-style-type: none"> Annual Plan: Quality Impact Assessment 		
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 summarised findings and conclusions presented, and the exposure to risk pending completion of action by management. Consider any further information or action required in respect of the subjects reported. 		


AUDIT & ASSURANCE ASSIGNMENT SUMMARY REPORT

1. INTRODUCTION

The purpose of this report is to advise the Quality & Safety Committee of the outcomes of finalised Internal Audit reports to support monitoring of action and the provision of assurance to the Board.

2. BACKGROUND: REPORTS ISSUED

Since the last meeting of the Quality & Safety Committee the following audit assignments have been reported:

Subject	Rating ¹
Internal Audit	
Annual Plan: Quality Impact Assessment (SBU-1920-009)	

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

Audit report findings and conclusions are summarised below in Section 3. A full copy of the report can be made available to Committee members on request.

Actions have been agreed with Executive Directors in respect of audit recommendations made for Final reports issued. Progress against agreed actions is input into an online database by lead officers and visible to Executive Directors for monitoring. The Director of Finance's team analyses and summarises the status for Audit Committee meetings as a matter of routine.

Audit & Assurance undertake follow-up reviews on key issues within areas deriving limited assurance ratings as part of its agreed plan of work for subsequent years. Additional follow up reviews may be undertaken at the request of the Audit Committee. The timing of follow up work is planned in liaison with Executive Directors.

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

3. INTERNAL AUDIT FINAL REPORT SUMMARY

3.1 ANNUAL PLAN: QUALITY IMPACT ASSESSMENT (SBU-1920-009)



Board Lead: Director of Nursing & Patient Experience

3.1.1 Introduction, Scope and Objectives

This assignment originated from the 2019/20 internal audit plan.

IMTP/Annual Plans provide details of how NHS organisations will work together to improve services over the next three years. NHS Wales planning guidance indicates that plans must demonstrate a truly integrated planning approach. This approach must link population need to quality, service models, capacity requirements, workforce development and capital and financial planning, set within the context of the organisations' longer-term clinical services strategies. Additionally, plans must demonstrate how organisations are planning to deliver key performance areas. Effective governance, assurance and performance management arrangements are critical to monitoring progress and providing early indications if performance varies from plan.

The Health Board Annual Plan 2019/20 was formulated in the context of significant financial pressure. A paper to the Quality & Safety Committee (QSC) in February 2019 set out the challenge to maintaining a high quality of care that this presented:

"Reducing spend, while maintaining high standards of care and meeting patients expectations can be a difficult balance. Improving standards of care are high on the agenda of all Health Boards and Trusts due to inquiries, such as the Francis Report and Andrews Report, which identified failings in the quality and safety of care delivered to patients."

"One of the key findings in the Francis report was that the organisation had a greater focus on reducing cost and improving efficiency over service provision. The report highlighted the importance of an improved attention to the potential negative impact cost improvement or efficiency related changes could have on quality."

The paper presented the Committee with the assurance that an effective and robust Quality Impact Assessment (QIA) process had been implemented as part of the development of the annual plan for 2019/20. The overall objective of this audit was to review the Health Board's governance, accountability and delivery arrangements with respect to development of its Annual Plan 2019/20. Following preliminary consideration of risks and arrangements described to address them, the scope for this review considered the operation of the Health Board's Quality Impact Assessment (QIA) process in the development and delivery of the Annual Plan 2019/20. The process was set out in the February 2019 paper to the QSC.

The audit scope reviewed compliance with the QIA process as set out in the February 2019 QSC paper, assessing whether:

- All schemes adopted to deliver the Annual Plan 2019/20 have been screened and assessed for risk against four quality domains using the agreed tool.
- All schemes identified as presenting a significant risk upon screening are subject to full quality impact assessment (QIA) by an established Panel.
- Mitigating actions and quality measures have been identified for all schemes that have proceeded through the full QIA process.
- Adopted schemes are signed off appropriately.
- The QIA Panel operates in accordance with its terms of reference and the Director of Nursing & Patient Experience is apprised of the QIAs it considers.
- Schemes are entered into Unit and corporate risk registers as appropriate in accordance with their risk score.
- Schemes approved following full QIA are monitored monthly within Units, and quarterly by the QIA Panel.
- The Quality & Safety Committee is provided with a summary report on all high risk schemes.

As was the scope of the current QIA process itself, the audit looked at the application of quality impact assessment arrangements on schemes associated with financial savings and undertook to highlight opportunities to improve the process where evident.

3.1.2 Overall Opinion

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.

The decision to implement a formal quality impact assessment process represents a positive commitment to the quality & safety of patient care whilst the health board continues to tackle its significant financial challenges. The Health Board has set out a risk-based approach which seeks to ensure ownership and management of risks at a Unit level whilst providing corporate scrutiny at an Executive-level panel.

Our review has identified a structured process, designed to promote consistent consideration & recording of risks and their mitigations using standard forms and guidance. Our testing of a sample schemes has confirmed that each has been considered within the process.

However, this is the first year that this approach has been taken and a number of key issues have been raised in relation to the operating effectiveness of controls, as outlined below:

- Singleton Unit did not provide robust records of QIA documentation sign-off. The robustness of approaches to record-keeping varied elsewhere too. There was scope to enhance the consistency and robustness of the audit trail of accountability recording the officers signing off QIA screening forms and full assessments and the communication of this detail to the corporate team.
- Attendance at QIA Panel meetings has been poor and on 11/05/19 and 24/07/19 meetings were not quorate (50% of our sample). Quorum is defined in the ToR as requiring the Director of Nursing and 3 other members. The Director of Nursing & Patient Experience has chaired every meeting - however, no other Executive members have attended more than 1 in 4, and some have attended none. This is a high level of divergence from the agreed governance arrangements relating to the QIA process and reduces the assurance that can be given in respect of the scrutiny supporting decision-making.

Action has been agreed with the Director of Nursing & Patient Experience to be completed by the end of January 2020.

4. RECOMMENDATION

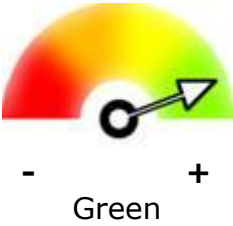
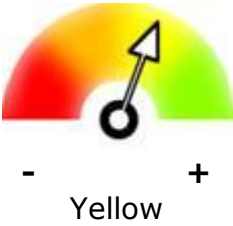
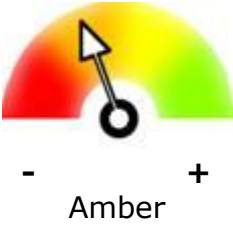
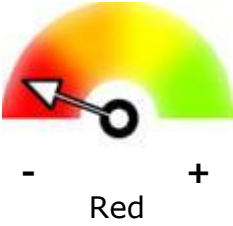
4.1 The Committee is asked to note:

- **The internal audit findings and conclusions**
- **The exposure to risk pending completion of agreed management actions**

4.2 The Committee is asked to consider:

- **Any further information or action required in respect of the subjects reported, to support monitoring and assurance.**

AUDIT ASSURANCE RATINGS

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.