



**GIG**  
CYMRU  
**NHS**  
WALES

Bwrdd Iechyd Prifysgol  
Abertawe Bro Morgannwg  
University Health Board



|   |   |                    |                  |
|---|---|--------------------|------------------|
| <b>Meeting Date</b>   | <b>7<sup>th</sup> June 2018</b>   | <b>Agenda Item</b> | <b>6c</b>        |
| <b>Report Title</b>   | <b>Audit &amp; Assurance Assignment Summary Report</b>  |                    |                  |
| <b>Report Author</b>  | Neil Thomas, Deputy Head of Internal Audit, NWSSP A&A   |                    |                  |
| <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   |                    |                  |
| <b>Freedom of Information</b>                                 | Open  |                    |                  |
| <b>Purpose of the Report</b>                                  | To advise the Quality & Safety Committee of the outcomes of finalised Internal Audit reports.   |                    |                  |
| <b>Key Issues</b>   | <p>This paper summarises the outcomes from two audit assignments with a focus on quality &amp; safety within their scope:</p> <ul style="list-style-type: none"> <li>• Fire Safety (Follow Up)</li> <li>• Medical Devices (Follow Up)</li> </ul>  |                    |                  |
| <b>Specific Action Required</b><br><i>(please ✓ one only)</i> | <b>Information</b>  | <b>Discussion</b>  | <b>Assurance</b> |
|   |   |                    | ✓                |
| <b>Recommendations</b>  | <p>Members are asked to:</p> <ul style="list-style-type: none"> <li>• Note the summarised findings and conclusions presented, and the exposure to risk pending completion of action by management.</li> <li>• Consider any further action required in respect of the subjects reported</li> </ul> |                    |                  |

## 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.

### 2. BACKGROUND: REPORTS ISSUED

Since the last meeting the following audit assignments have been finalised with a focus on quality & safety within their scope:

| Subject  | Rating <sup>1</sup>   |
|--|---|
| <b>Internal Audit</b>  |   |
| Fire Safety (Follow Up) (ABM- 1718-109)                            |  |
| Medical Devices & Equipment Maintenance (Follow Up) (ABM-1718-113) | No revised rating applied   |

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. Full copies of the reports can be made available to Quality & Safety 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 Associate Director of Finance / Head of Accounting analyse and summarise 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.

---

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

### 3. INTERNAL AUDIT FINAL REPORT SUMMARY

#### 3.1 FIRE SAFETY (FOLLOW UP) (ABM-1718-109)



Board Lead: Director of Strategy

##### 3.1.1 Introduction, Scope and Objectives

This assignment was added to the 2017/18 internal audit plan at the request of the Audit Committee.

In the first Quarter of 2017/18 we undertook a review of the Health Board's Fire Safety management arrangements, reporting *limited assurance* in July 2017. The overall objective of that audit was to assess the adequacy of arrangements operating within the Health Board for the management of fire safety, taking account of relevant NHS and other supporting regulatory and procedural requirements, as appropriate. The audit reviewed corporate arrangements for ensuring fire risks are identified, assessed and managed, focusing on selected elements of the Fire Policy. Delivery Unit processes and structures for managing fire safety were not within the scope of the review, but the audit considered the outcome of risk assessments undertaken within wards and departments and the mechanisms in place to monitor corporately the action taken to address issues & risks arising.

The overall objective of this audit was to review progress made by management to implement action agreed to address key issues identified during the earlier 2017/18 audit review of Regulatory Compliance: Fire Safety (ABM-1718-010).

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.

##### 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 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.

Whilst the above level of assurance has been derived and action remains to be taken to address issues & risks, we would note the priority given by management in the period since the last report towards addressing one of the Health Board's key fire risk areas and an area of high priority reported previously – the ward areas at Singleton Hospital.

The previous audit made eleven recommendations, of which four were high priority and seven were medium priorities. Concluding testing, we can confirm that four recommendations had been addressed, one was partially addressed, five were not addressed and one required no further testing.

The following key findings were identified which require management attention:

- The completion of action required of ward / departments is not monitored corporately;
- High risk action plans are not copied to Service Directors, or their nominated officers;
- The Health & Safety Committee and the Quality & Safety Committee are not receiving comprehensive assurance on action to address all known risks, or those remaining open.

Action has been agreed by the Director of Strategy to address issues raised with target completion date of the 1<sup>st</sup> October 2018.

### **3.2 MEDICAL DEVICES & EQUIPMENT MAINTENANCE (FOLLOW UP) (ABM-1718-113)**

No revised rating applied

Board Lead: Executive Medical Director

#### **3.2.1 Introduction, Scope and Objectives**

This assignment was requested by the Executive Medical Director and approved by the Audit Committee for addition to the 2017/18 audit plan.

In October 2017, an internal audit report was issued on this subject, recording *limited assurance*, and incorporating an action plan agreed with management to address issues raised. In December, the Medical Director requested that we make arrangements to undertake a follow up review of progress.

The overall objective of this audit is to review progress made against actions agreed to address issues raised at the last audit.

The previous audit focused on the management of the medical equipment register, the timely servicing of equipment and associated monitoring arrangements. This scope of this audit has been restricted to a review of actions taken to address issues previously highlighted only.

#### **3.2.2 Overall Opinion**

The level of assurance previously given as to the effectiveness of the system of internal control in place to manage the maintenance of medical devices was *limited assurance* at the last audit.

Progress has been noted against all areas recommended following the original review:

| Number of previous recommendations followed up | Number Addressed | Number Partially Addressed | Number not started |
|--|------------------|----------------------------|--------------------|
| 10   | 4                | 6                          | 0                  |

Recognising the early timing of this revisit, action is ongoing in a number of areas – in particular, a new approach to escalating equipment not made available for servicing has been piloted in Morriston. We were informed at the close of work that teams on other sites have been asked to implement the same. Consequently this review reflects positively on action taken so far, but there are some areas for which action is required to provide assurance regarding the management of all medical devices. We have reflected this in a revised action plan and made additional observations and recommendations where relevant.

We would report that positive progress is being made to address the issues highlighted previously, but are not reporting a revised rating currently. Instead, we propose to use time within the 2018/19 plan to revisit this area following wider rollout and the embedding of action and will review the rating again at that time.

As noted above, positive progress is being made to address issues previously raised, and for several of the areas highlighted in this report action is in hand to progress them. Key areas requiring attention or completion are:

- Rollout & embedding of the escalation process to other sites;
- Capture of all equipment within monitoring and assurance reporting to MDC (and above)

There is also more to do to ensure an effective connection between the MDC and the Units. Additionally, we would note that for timing reasons, assurance/risk has not yet been reported to the Quality & Safety Committee.

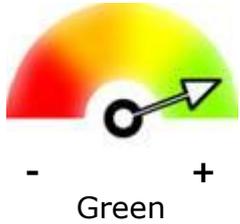
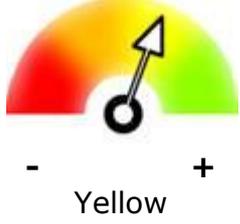
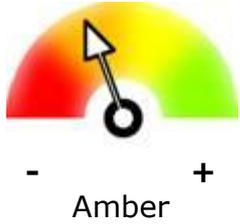
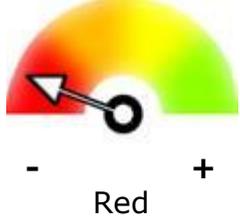
The Deputy Medical Director has agreed an action plan for completion in September 2018. Internal Audit has agreed to meet with him and the Head of MEMs in September to discuss progress.

## **5. RECOMMENDATION**

### **5.1 The Quality and Safety Committee is asked to note:**

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

AUDIT ASSURANCE RATINGS

| RATING                | INDICATOR   | DEFINITION   |
|-----------------------|---|--|
| Substantial assurance |    | <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.</p>                              |
| Reasonable assurance  |   | <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.</p> |
| Limited assurance     |  | <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.</p>                               |
| No assurance          |  | <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.</p>                            |