

# Internal Audit Progress Report

## Audit Committee

November 2022

Swansea Bay University Health Board

NWSSP Audit and Assurance Services



GIG  
CYMRU  
NHS  
WALES

Partneriaeth  
Cydwasaethau  
Gwasanaethau Archwilio a Sicrwydd  
Shared Services  
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Swansea Bay University  
Health Board



## Contents

<i>1. Introduction</i>	<i>3</i>
<i>2. Progress against the 2022/23 Internal Audit Plan</i>	<i>3</i>
<i>3. Proposed changes to approved plan</i>	<i>3</i>
<i>4. Follow up of Capital &amp; Estates recommendations</i>	<i>3</i>
<i>5. Engagement</i>	<i>4</i>
<i>6. Key Performance Indicators</i>	<i>5</i>
<i>7. Recommendation</i>	<i>5</i>
<i>Appendix A: Progress against 2022/23 Internal Audit Plan</i>	<i>6</i>
<i>Appendix B: Status of Capital &amp; Estates recommendations</i>	<i>10</i>

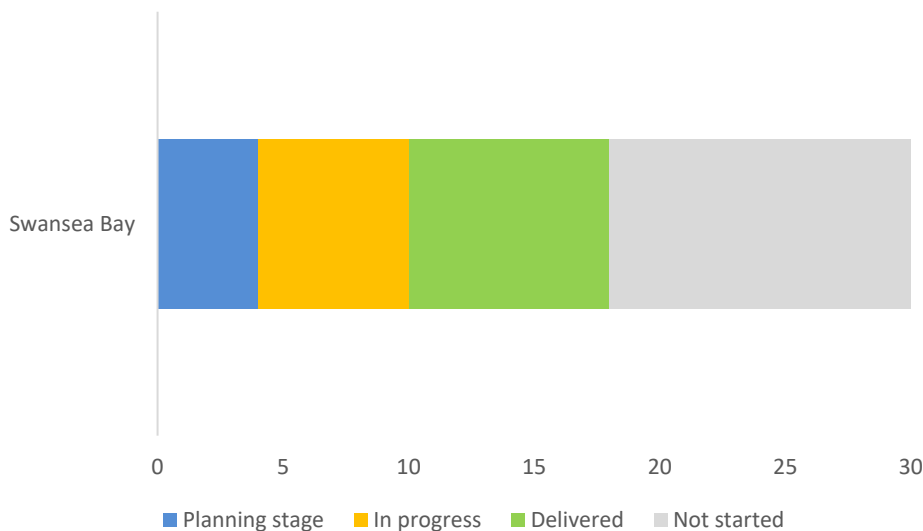
## 1. Introduction

The purpose of this report is to:

- highlight progress of the 2022/23 Internal Audit Plan to the Audit Committee; and
- provide an overview of other activity undertaken since the previous meeting.

## 2. Progress against the 2022/23 Internal Audit Plan

There are 30 reviews in the 2022/23 Internal Audit Plan, and overall progress is shown below.



Detailed progress in respect of each of the reviews in the 2022/23 Internal Audit Plan is summarised in Appendix A.

## 3. Proposed changes to approved plan

No further changes are proposed in respect of the 2022/23 Internal Audit Plan.

## 4. Follow up of Capital & Estates recommendations

Our most recent review of the Capital Assurance and Estates Assurance internal audit recommendations was undertaken following closure of the health board's tracker by the Head of Compliance on 21 October 2022. This date aligns with the Audit Committee reporting cycle. Full details of the updates provided by management are recorded within the tracker.

Tables 1A and 1B within Appendix B set out the status of the Capital Assurance recommendations. Of the 21 recommendations detailed, six were expected to have been closed by the date of our review. Closure was achieved for only one, with management proposing extensions to the deadlines for the remaining five

recommendations (two of which have previously been extended). However, it is encouraging to report that evidence provided by management in relation to the Capital Systems and Singleton Cladding reports, has resulted in 10 further recommendations being assessed as closed, in advance of their agreed deadline date.

Tables 2A and 2B within Appendix B set out the status of the Estates Assurance recommendations. We note that due to the detail of the one remaining recommendation from the Capital Systems: Declaration of Interest & Risk Management report (issued April 2019), responsibility has transferred from the Director of Strategy to the Director of Finance.

Of the total 27 recommendations detailed, we would have expected 16 (59%) to have been closed by the date of our review. Closure was achieved for five, with management proposing extensions to the deadlines for the remaining 11 recommendations (nine of which have previously been extended).

In accordance with the agreed implementation dates, and the proposed closure date of the tracker (16 December) before the January Audit Committee, there is an expectation that four Capital Assurance (from the Environmental Infrastructure, Elective Orthopaedic and Singleton Cladding reports) and 11 Estates Assurance (primarily from the Financial Safeguarding, Water Safety and Waste Management reports) recommendations will be closed by the next review.

## 5. Engagement






The following meetings have been held/attended during the reporting period:

- Observation of Board and Committee meetings;
- Audit scoping and debrief meetings;
- Liaison with senior management; and
- Liaison with external regulators.

We have met with a number of Executive Directors to discuss areas for review in 2023/24, and will complete meetings between now and January. We will discuss the long list of reviews with the Director of Corporate Governance, CEO and Independent Members before producing a draft Audit Plan for Audit Committee approval at the March 2023 meeting.

## 6. Key Performance Indicators

- Correct on 31 October 2022

Indicator	Status	Actual	Target
Operational Audit Plan agreed for 2022/23		March	By 30 June
Audits reported over planned		8	11
Work in progress		6	
Report turnaround: time from fieldwork completion to draft reporting [10 days]		7 out of 8	80%
Report turnaround: time taken for management response to draft report [15 days]		6 out of 7	80%
Report turnaround: time from management response to issue of final report [10 days]		7 out of 7	80%

Key:

- $v > 20\%$
- $10\% < v < 20\%$
- $v < 10\%$

## 7. Recommendation

- The Audit Committee is invited to note the above.

## Appendix A: Progress against 2022/23 Internal Audit Plan

Review	Status	Rating	Key matters arising	Outline timing	Anticipated Audit Committee <sup>1</sup>
Risk Management and Assurance	Not started			Q3	TBC
Service Group Governance Arrangements Deferred from 2021/22)	Not started			Q3/4	TBC
Quality and Safety Governance Framework	Not started			Q3/4	TBC
Freedom of Information Requests	Final report	Reasonable	Disclosure log is not kept up to date; Training compliance is below the Welsh Government target; Quarterly performance reports lack sufficient granularity; Limited evidence of review and scrutiny of performance.	Q1/2	September 2022
Claims Management	In progress			Q1/2	January 2023
Stakeholder Engagement and Communication	Final report	Reasonable	Incomplete records of stakeholder engagements, events and contacts in respect of service change proposals; Lapse in Stakeholder Reference Group annual activity reporting; Stakeholder Reference Group governance weaknesses.	Q1/2	September 2022
Infection Prevention and Control	Planning			Q2	January / March 2023
Covid-19 Cost Management: Response Funding and Deployment	In progress			Q1	January 2023
Covid-19 Cost Management: Recovery Funding	In progress			Q2	January 2023

<sup>1</sup> May be subject to change

Review	Status	Rating	Key matters arising	Outline timing	Anticipated Audit Committee <sup>1</sup>
and Deployment					
Rostering	Planning			Q2/3	TBC
Continuing Health Care	Planning			Q2	January / March 2023
Recruitment and Retention of Staff	Not started			Q4	TBC
Electronic Staff Record: Self Service	Final report	Advisory	Some arrangements at the health board differ to those typically in place across Wales, particularly in respect of annual leave and sickness absence, where, historically and until recently, manual and paper records were maintained for some staff. There is also opportunity to make more use of ESR to capture and monitor training requirements. The ongoing review and maintenance of the management hierarchy structure will also be key. The health board could also benefit from a more structured and coordinated approach to reporting.	Q1	November 2022
Access to Cancer Services	Not started			Q4	TBC
Transition from Child and Adolescent to Adult Mental Health Services	Not started			Q3	TBC
Health and Safety	Final report	Limited	Minimal reporting against agreed KPIs; Limited progress in addressing areas within the health and safety plan, including audit programme and training; Health and safety policy content and availability; HSOG terms of reference overdue and clarity required on supporting groups; Estates reporting to Health and Safety Operational Group (HSOG) in need of refinement; Service Group	Q1	September 2022

Review	Status	Rating	Key matters arising	Outline timing	Anticipated Audit Committee <sup>1</sup>
			health and safety group alignment and operation; Resourcing.		
End of Life Care	Not started			Q3	TBC
Clinical Audit	Not started			Q4	TBC
Controlled Drugs	Final report	Reasonable	The matters requiring management attention include: Instances of illegible or missing staff signatures in ward and theatre CD order stationery and registers; Instances where hospital pharmacy team CD balance checks are not recorded in CD registers; and Service Group CDMAP action plans not up to date and varying governance and oversight arrangements across Service Groups.	Q2	November 2022
Digital Strategy Implementation (Analytics) (Deferred from 2021/22)	Not started			Q4	TBC
Cyber Security	In progress			Q3	January / March 2023
Records Management	Not started			Q4	TBC
Information Governance	Draft report	Limited	The matters requiring management attention include: inadequate resources within the IG Team and no full capacity and resilience assessment; no health board wide policy on handling subject access requests; IG risk reporting; and lack of full performance measures.	Q2	January 2023
Clinical Systems Implementation – Benefits Realisation	Planning			Q4	March 2023

Review	Status	Rating	Key matters arising	Outline timing	Anticipated Audit Committee <sup>1</sup>
Follow Up Action Tracker	Not started			Q4	TBC
Capital & Estates					
Primary and Community Care Infrastructure Projects - Swansea Wellness Centre	Not started			Q4	TBC
Decarbonisation	Final report	N/A - An action plan of common themes across NHS Wales.	Whilst some progress has been observed with implementation of Decarbonisation Action Plans, this has been restricted by the availability of financial and staff resources. The recommendations made, relating to governance, localised strategy, monitoring and reporting and project delivery, aim to aid management in driving forward the strategies, whilst also highlighting some of the competing pressures / risks.	Q2/3	November 2022
Follow up (Capital)	See section 4 and appendix B				
Follow up (Estates assurance)	See section 4 and appendix B				
Singleton Hospital - Cladding	Final report	Reasonable	Handover of key documents to the incoming Project Director; Reporting to Board the costs associated with the legal action; Inclusion of the value of costed risks in cost reports when presenting the forecast outturn position; Undertaking a mid-point lessons learned review.	See IAP	September 2022
Development of Integrated Audit Plans	N/A	N/A	We will provide on-going guidance and advice to the health board.		N/A

<sup>1</sup> May be subject to change

## Appendix B: Status of Capital & Estates recommendations

**Table 1A: Reports included in the 2021/22 Capital Assurance Follow Up Report**

Internal audit report	Number and status of 'live' recommendations on the health board's tracker as at 21 October 2022			Internal audit assessment of recommendations as at 21 October 2022		
	In progress	Overdue	Closed	In progress	Overdue	Closed
<b>Reports included in the 2021/22 Capital Assurance Follow Up report:</b>						
Capital Systems (issued November 2020)	-	-	9	-	-	9
Environmental Infrastructure Phase 2 (issued August 2021) <i>including follow up of:</i>	-	-	-	-	-	-
<i>Environmental Infrastructure (issued June 2019)</i>	2		-	2 <sup>2</sup>	-	-

**Table 1B: Other Capital Assurance reports**

Internal audit report	Number and status of 'live' recommendations on the health board's tracker as at 21 October 2022			Internal audit assessment of recommendations as at 21 October 2022		
	In progress	Overdue	Closed	In progress	Overdue	Closed
Elective Orthopaedic Unit (issued October 2021)	1	-	-	1 <sup>3</sup>	-	-
Singleton Cladding (issued August 2022)	7	-	2	7 <sup>4</sup>	-	2

<sup>2</sup> MA4 - additional information is required to demonstrate that all areas of the agreed recommendation have been addressed. A revised deadline from 30 September to 31 October has been proposed by management. This has extended a previous revision to the deadline.

<sup>3</sup> MA10.1a – additional work is required, in consultation with Procurement, to address all areas of the recommendation. A revised deadline from 30 September to 30 November has been proposed by management. This has extended a previous revision to the deadline.

<sup>4</sup> For three of the recommendations consultation is required with external parties to address all areas of the recommendation. Due to issues with their availability, revised deadlines have been proposed by management – MA5.1 (from 30 September to 31 October) and MA6.1 & MA6.2 (from 30 September to 31 January 2023)

**Table 2A: Reports included in the 2021/22 Estates Assurance Follow Up Report**

Internal audit report	Number and status of 'live' recommendations on the health board's tracker as at 21 October 2022			Internal audit assessment of recommendations as at 21 October 2022		
	In progress	Overdue	Closed	In progress	Overdue	Closed
<b>Reports included in the 2021/22 Estates Assurance Follow Up report:</b>						
Backlog Maintenance (issued October 2017)	1	-	1	1 <sup>5</sup>	-	1
Disability Discrimination Arrangements	-	-	1	-	-	1
Fire Safety (issued April 2021)	1	-	-	1	-	-
Water Safety (issued June 2021)	2	-	2	2 <sup>6</sup>	-	2
Financial Safeguarding (issued November 2019)	7	-	-	7	-	-
Control of Contractors (issued March 2020)	4	-	-	4 <sup>7 8</sup>	-	-
<b>Report included in the 2021/22 Capital Assurance Follow Up report – responsibility now transferred to the Director of Finance</b>						
Capital Systems: Declaration of Interest & Risk Management (issued April 2019) <sup>9</sup>	1	-	-	1	-	-

<sup>5</sup> MA1 – a revised deadline from 30 September to 31 December has been proposed by management to accommodate a meeting scheduled to address the area of the agreed recommendation. This has extended a previous revision to the deadline.

<sup>6</sup> MA8 – additional information is required to demonstrate that all areas of the agreed recommendation have been addressed. There are two elements to this recommendation (a) and (b) for which revised deadlines have been proposed by management: 31 December and 30 November respectively. This has extended a previous revision to the deadline.

<sup>7</sup> MA3 – the Managing Contractors policy requires approval at the Health & Safety Committee, the next date of which is January 2023. A revised deadline from 30 September to 31 January 2023 has been proposed by management on this basis. This has extended a previous revision to the deadline.

<sup>8</sup> MA8 - additional information is required to demonstrate that all areas of the agreed recommendation have been addressed. A revised deadline from 30 September to 31 March 2023 has been proposed by management. This has extended a previous revision to the deadline.

<sup>9</sup> The remaining recommendation (MA14) falls under the responsibility of the Assistant Director of Estates, therefore is now included within the tracker for the Director of Finance rather than the Director of Strategy. Noting the change in responsibility, a revised deadline from 30 September to 30 November has been proposed by management. This has extended a previous revision to the deadline.

**Table 2B: Other Estates Assurance reports**

Internal audit report	Number and status of 'live' recommendations on the health board's tracker as at 21 October 2022			Internal audit assessment of recommendations as at 21 October 2022		
	In progress	Overdue	Closed	In progress	Overdue	Closed
Waste Management (issued February 2022)	6	-	1	6 <sup>10</sup>	-	1

<sup>10</sup> To demonstrate that all areas of the agreed recommendations have been addressed, revised deadlines have been proposed by management for all six recommendations: MA4 & MA7 – to 30 November; MA5 – to 31 December; and MA1, MA2 & MA6 – to 31 January 2023. These are extensions to previous revised deadlines for four of the recommendations.