

Bundle Audit & Risk Assurance Committee 25 August 2020

5.1

Internal Audit Plan Progress Report

Presenter: James Johns

SBAR Internal Audit Plan Progress Report ARAC August 2020

Internal Audit Plan Progress Report August 2020



**PWYLLGOR ARCHWILIO A SICRWYDD RISG
AUDIT AND RISK ASSURANCE COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	25 August 2020
TEITL YR ADRODDIAD: TITLE OF REPORT:	Audit & Assurance Services Report
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Head of Internal Audit
SWYDDOG ADRODD: REPORTING OFFICER:	Head of Internal Audit

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Sicrwydd/For Assurance

**ADRODDIAD SCAA
SBAR REPORT**

Sefyllfa / Situation

The progress report provides the Audit & Risk Assurance Committee (ARAC) with the current position in relation to the delivery of the Internal Audit Plan for 2020/21.

Cefndir / Background

The work undertaken by Internal Audit is in accordance with its plan of work, which is prepared following a detailed planning process and subject to Committee approval.

The progress report provides the Committee with information regarding the progress of Internal Audit work in accordance with the agreed plan, amendments to the agreed plan and outcomes of audits completed since the previous meeting of the committee.

Asesiad / Assessment

The findings and assurance ratings from the Internal Audit Reports provide the Committee with a level of assurance as to the adequacy of the risk, governance and control environment in the areas audited.

Argymhelliad / Recommendation

The Audit & Risk Assurance Committee is asked to consider the Internal Audit Progress Report, the assurance available from the finalised Internal Audit reports and the proposed updates to the plan.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference Cyfeirnod Cylch Gorchwyl y Pwyllgor	5.16 The Committee shall ensure that there is an effective internal audit and capital/PFI function established by management that meets mandatory Internal Audit Standards for NHS Wales and provides appropriate independent assurance to the Committee, Chief Executive and Board. 5.17 This will be achieved by: 5.17.1 review and approval of the Internal Audit Strategy, Charter, operational plan and more detailed programme of work, ensuring that this is consistent with the audit needs of the organisation; 5.17.2 consideration of the major findings of internal audit work (and management's response), and ensure co-ordination between the Internal and External Auditors to optimise audit resources;
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	All Health & Care Standards Apply
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Statement	Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Internal Audit plan. Evidence gathered as part of the delivery of audit assignments.
Rhestr Termau: Glossary of Terms:	Contained within the body of the report.
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg: Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Executive Directors and Senior managers relevant to the individual audits. Board Secretary.

Effaith: (rhaid cwblhau)
Impact: (must be completed)

Ariannol / Gwerth am Arian: Financial / Service:	Not applicable
Ansawdd / Gofal Claf: Quality / Patient Care:	Not applicable
Gweithlu: Workforce:	Not applicable
Risg: Risk:	Not applicable
Cyfreithiol: Legal:	Not applicable
Enw Da: Reputational:	Not applicable
Gyfrinachedd: Privacy:	Not applicable
Cydraddoldeb: Equality:	Not applicable

Hywel Dda University Health Board

Audit & Risk Assurance Committee

August 2020

Internal Audit Progress Report

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Appendix A - Assignment Status Schedule

1. INTRODUCTION

- 1.1.** This progress report provides the Audit & Risk Assurance Committee (ARAC) with the current position in relation to the 2019/20 Internal Audit work programme.
- 1.2.** The report includes details of the progress made to date against individual assignments and outcomes from finalised Internal Audit reports, along with details regarding the delivery of the plan and any required updates.

2. OUTCOMES FROM COMPLETED AUDIT REVIEWS

- 2.1** A number of assignments have been finalised since the previous meeting of the committee and are highlighted in the table below along with the allocated assurance ratings. The full versions of these reports are included on the agenda as separate items.

ASSIGNMENT	ASSURANCE RATING	
Business Continuity Planning (19/20)	Reasonable	
Standards of Behaviour	Reasonable	
Charitable Funds	Substantial	
Environmental Sustainability Reporting	Substantial	

3. DELIVERY & PLANNING UPDATE

- 3.1** Further to the finalised audits, there are six other audits currently at field work stage and are now progressing well, including the Governance review.
- 3.2** The detail of the plan of audit work for the year, along with progress is outlined in the assignment status schedule at Appendix A. The scheduling of the delivery of audits has been reviewed and the planned ARAC date has been included within the Schedule.
- 3.3** The audit of governance arrangements during the COVID period, which is being undertaken at all NHS Wales bodies, has been progressing well within the Health Board. Interviews have been undertaken with a sample of Executives and Independent Members as part of the review. Close liaison and sharing of information has been undertaken with Audit Wales, in order to minimise overlap with their structured assessment. The internal audit work is approaching a close, with the draft report being prepared. Initial findings from the review indicate an overall positive position.
- 3.4** During the period discussions have been ongoing with regards aspects of the Internal Audit plan.

The plan contained audits of the field hospitals in each of the county areas, however subsequent to the development of the plan an external review is being undertaken focusing on two of the field hospitals. As such the audit work on the field hospitals has been paused and recommended to be deferred.

As a result audits have been identified, including within Finance and also the Additional Learning Needs & Educational Tribunal Act, that are going to be brought forward in order maintain a flow of work.

Further discussions have identified some other audits, which are currently being evaluated, for inclusion with the plan as the year progresses.

In addition the Capital and Estates element of the plan, which is delivered by our Specialist Services team, has been reviewed to take account of the impact of Covid on the operational teams covered by our plan and the potential impact of reduced All-Wales capital funding

in-year. As a result the changes below are proposed. The charge to the UHB for this work will be reduced accordingly as a result.

- To remove the Cross Hands Scheme & Major Strategic Investment Programmes to reflect the impact on progress attributed to the reduced All-Wales Capital Programme funding in the period.
- To defer the Capital Systems to Q1 of 2021/22. This is to recognise anticipated increased pressures on the capital team for the remainder of 2020/21 attributed to the Covid response. The audit will then focus on all activities in the 2020/21 financial year - including any additional works associated with Covid expenditure.

The Audit & Risk Assurance committee is requested to approve the proposed updates to the Internal Audit plan. The audits referred to above are shown in Appendix A in red for information and will then be removed subject to approval.

3.5 Following discussion at previous ARAC meetings and with the Committee Chair, the table below will be included in each progress report. This table will highlight audits where there has been slippage with the original timescale to report to ARAC. The information will highlight the details of the delayed audit, current position with the audit, the assurance rating if available, the revised ARAC date and then a narrative description of the reasons for the delay, be that with Internal Audit, Management or changes to a system or service. In addition it was agreed that the total time spent on finalised audits will be added to the progress report and this is shown in the schedule at Appendix A.

At this meeting of ARAC there are no audits that fall into this category, but the table is shown as an illustration of the information that will be reported when required.

Audit delayed	Planned ARAC	Current position	Rating (if available)	Reason	Revised ARAC

Appendix A – Internal Audit Plan 2020/21 – Assignment Status Schedule

Planned output	Outline timing	Current progress	Executive Lead	ARAC	Assurance	H	M	L
Corporate governance, risk and regulatory compliance								
Governance & Risk Overview Governance, leadership and Accountability module & AGS.	Q1-4	---	Board Secretary	In Annual report	N/a	-	-	-
Health and Care Standards	Q4		Director of Nursing, Quality & Patient Experience	Feb				
Welsh Risk Pool Claims	Q3/4		Director of Nursing, Quality & Patient Experience	Feb				
Standards of Behaviour (18 Audit Days)	Q3/4	FINAL	Board Secretary	Aug	Reasonable		3	
Governance Review (Linked with Financial Governance below)	Q1/2	Work in Progress	Board Secretary	Oct	-----			

Planned output	Outline timing	Current progress	Executive Lead	ARAC	Assurance	H	M	L
Strategic Planning, Performance								
Transformation Steering group	Q3		Director of P,P&C	Feb				
Research and Development Follow up	Q1/2	wip	Medical Director	Oct				
Partnership governance	Q1/2	planning	Director Public Health	Oct				
Outpatients	Q4		Director of Operations	April				
Financial Governance and management								
Core Financial Systems (audit focus on specific risk area)	Q2	planning	Director of Finance	Oct				
Financial Governance (*part of Governance audit)	Q1/2	Work in progress	Director of Finance	Oct				
Finance Team Transformation	Q2/3	planning	Director of Finance	Dec				
Charitable Funds (20 Audit Days)	Q1/2	Final	Director of Nursing, Quality & Patient Experience	Aug	Substantial		1	
Contracting follow up	Q4		Director of Finance	April				

Planned output	Outline timing	Current progress	Executive Lead	ARAC	Assurance	H	M	L
Clinical governance quality & safety								
Quality & Safety Governance	Q3		Director of Nursing, Quality & Patient Experience	Dec				
Annual Quality Statement	Q4		Director of Nursing, Quality & Patient Experience	Apr				
Additional Learning Needs & Educational Tribunal Act -	Q2	planning	Director of Therapies & Health Sciences	Oct				
Patient Experience	Q3/4		Director of Nursing, Quality & Patient Experience	Apr				
Closure of Actions	Q3/4		Director of Nursing, Quality & Patient Experience	Feb				
Information Governance and Security								
IM&T Control & Risk Assessment	Q2	wip	Director of Planning, Performance and Commissioning (P,P&C)	Oct				
Infrastructure	Q3/4	planning	Director of P, P&C	Feb				
Information Governance	Q2	planning	Director of P,P&C	Oct				

Planned output	Outline timing	Current progress	Executive Lead	ARAC	Assurance	H	M	L
Information technology in response to COVID	Q2	planning	Director of P,P&C	Dec				
WCCIS	Q2	planning	Director of P,P&C	Dec				
Operational service and functional management								
Follow up Bronglais Directorate Review	Q1/2	wip	Director of Operations	Oct				
Records Management Follow up	Q2	wip	Director of Operations	Oct				
Planning of Field hospitals – Pembrokeshire (Bluestone)	Q1/2	Wip (on hold)	Director of Operations	---				
Planning of Field hospitals – Carmarthenshire	Q2	Wip (on hold)	Director of Operations	---				
Planning of Field hospitals – Ceredigion	Q2	Wip (on hold)	Director of Operations	---				

Planned output	Outline timing	Current progress	Executive Lead	ARAC	Assurance	H	M	L
Effectiveness of operational Directorate response to COVID	Q2/3		Director of Operations	Dec				
Workforce management								
Consultants Job Planning Follow up	Q4		Medical Director	Apr				
Agility to flex workforce to COVID planning	Q3		Workforce & OD Director	Dec				
Capital and Estates								
Environmental Sustainability Reporting (16 Audit Days)	Q2	FINAL	Director of Operations	Aug	Substantial			1
Follow up:(Capital)	Q3		Director of Planning, Performance and Commissioning	Feb				
Follow up: Estates	Q3		Director of Operations	Feb				
Withybush Palliative Care, Oncology and Haematology Inpatient Facility (wards 9 &10 - £3.458m).	Q2		Director of Planning, Performance and Commissioning	Dec				

Planned output	Outline timing	Current progress	Executive Lead	ARAC	Assurance	H	M	L
Women & Children's Phase 2	Q4		Director of Planning, Performance and Commissioning	April				
Backlog Maintenance	Q2		Director of Operations	Dec				
Health & Safety	Q3		Director of Nursing, Quality & Patient Experience	Feb				
Fire Safety	Q4		Director of Operations	April				
Cross Hands (£26m at OBC)	Q3	Query whether this will progress	Director of Planning, Performance and Commissioning		---			
Major Strategic Investment Programmes: <ul style="list-style-type: none"> • A Healthier Mid & West Wales Programme Business Case • Business Continuity (Major Infrastructure) Programme Business Case • Transforming Mental Health 	Q3	Query whether this will progress	Director of Planning, Performance and Commissioning		---			
Capital Systems	Q2/3		Director of Planning, Performance and Commissioning		---			



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