

Bundle Audit & Risk Assurance Committee 22 October 2019

5.1 Internal Audit Plan Progress Report (incl Mid Year Review of the Internal Audit Plan)

Presenter: James Johns

SBAR IA Plan Progress Report ARAC October 2019

IA Plan Progress Report ARAC October 2019

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

DYDDIAD Y CYFARFOD: DATE OF MEETING:	22 October 2019
TEITL YR ADRODDIAD: TITLE OF REPORT:	Audit & Assurance Progress 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 Internal Audit Progress Report provides specific information for the Audit & Risk Assurance Committee covering the following key areas:

- Detail relating to outcomes, key findings and conclusions from the finalised internal Audit assignments
- Specific detail relating to progress against the audit plan and any updates that have occurred within the plan.

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; including details and outcomes of reports finalised since the previous meeting of the committee. The Committee also receives the finalised audit reports for review and scrutiny.

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 and the assurance available from the finalised Internal Audit reports.
The Audit & Risk Assurance Committee is asked to approve the updates to the Internal Audit 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 Termiau: 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

October 2019




Internal Audit Progress Report


1. INTRODUCTION

- 1.1.** This progress report provides the Audit & Risk Assurance Committee (ARAC) with the current position regarding the work being undertaken by Audit and Assurance Services as part of the 2019/20 Internal Audit plan.
- 1.2.** The report includes details of the progress made to date against individual assignments, outcomes from finalised Internal Audit reports along with details regarding the delivery of the plan and any required updates.
- 1.3** The plan for 2019/20 was agreed by the Audit & Risk Assurance Committee in April 2019 and is delivered as part of the arrangements established for the NHS Wales Shared Service Partnership - Audit and Assurance Services.

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.
- 2.2** The full versions of these reports are included on the agenda as separate items.

ASSIGNMENT	ASSURANCE RATING	
Water Management follow up from 18/19 audit	Substantial	
Welsh Language Standards	Reasonable	
Estates Directorate Review	Limited	

Estates Assurance - Water Management (New 1920 audit Withybush)	Limited	
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3. DELIVERY OF THE INTERNAL AUDIT PLAN

Plan Delivery

3.1 Further to the finalised audits, nine other audits are in currently at field work stage and are now progressing well. The detail of the plan of audit work for the year along with progress is outlined in the schedule which is included at Appendix A.

3.2 The delivery of a small number of audits have been pushed back slightly from that originally planned, and the rescheduling of these is also set out in Appendix A.

Planning Update

3.3 A number of discussions have been ongoing with regards to the plan for the remainder of the year and a result of outcomes of Internal Audit work, changes to risks across the Health Board, other work being undertaken across the organisation and emerging estates risks. .

As result of this a number of updates are proposed to the plan for the remainder of 2019/20 audit year.

- Financial Assurance Framework – to be deferred - work being undertaken by external body cutting across this area.
- Programme Management office - to be deferred – UHB looking at how this function and other programme and improvement functions work.
- Follow up Estates Directorate Review – to be added due to the Limited assurance report
- In response to emerging Estates related risks, we have re-assessed the risks of the remaining elements of the audit plan with management and propose the following amendments:
 - The audit of the Welsh Community Care Information System (WCCIS) be deferred to 2020/21 to allow sufficient progress to be made at the project. The provision of time be reallocated to undertake a follow up audit of the recently concluded Water Safety Audit at Withybush and a further Water Safety Audit at the Bronglais site (as requested be management); and
 - A provision of time included within the plan for the Major Strategic Investment Programmes be reallocated to enable an

audit of the Control of Contractors, which is an emerging risk within NHS Wales.

In addition discussion have also looked at the inclusion of an audit of Planned & preventative Maintenance although it has been agreed at this point to await the outcome of the discussions and the Estates Control Group.

A small element of flexibility remains if we are required to pick up the PPM audit or react to other risks as they emerge during the remainder of the audit year.

The Audit & Risk Assurance committee is requested to approve the proposed updated to the Internal Audit plan for the remainder of the 2019/20 year. The updated re highlighted in Appendix A in red for information.

3.4 In response to a request form the Committee Chair, an indicative planned allocation of resource for each audit along with has been added to plan at Appendix A for information, along with the indicative resource for key tasks associated with planning and delivery of the audit work and Head of Internal Audit Opinion along with wider assurance work.

Appendix A – Internal Audit Plan 2019/20 – Progress Schedule

Planned output	Outline timing	Current progress	Executive Lead	ARAC	Assurance	H	M	L
Corporate governance, risk and regulatory compliance (115)								
Governance & Risk Overview Governance, leadership and Accountability module & AGS. (25)	Q1-4	---	Board Secretary	In Annual report				
Health and Care Standards (20)	Q4	planning	Director of Nursing, Quality & Patient Experience	Feb				
Welsh Risk Pool Claims (10)	Q3/4	planning	Director of Nursing, Quality & Patient Experience	Feb				
Standards of Behaviour (20)	Q3/4		Board Secretary	April				
Health & Safety (20)	Q2/3	Work in progress	DCEO, D of Operations	Dec				
Welsh Language Compliance (20)	Q2	FINAL	Director of Partnerships and Corporate Services	Oct	Substantial	-	3	1

Planned output	Outline timing	Current progress	Executive Lead	ARAC	Assurance	H	M	L
Strategic Planning, Performance (140)								
Patient Access (25)	Q2	Draft/Final- awaiting mgt responses.	DCEO, D of Operations	Oct	Substantial	-	1	-
Programme Management (20)	Q2/3	Defer based on organisational changes.	Director of Planning	Dec				
Health & Care Strategy (25)	Q4		Medical Director	Apr				
Research and Development (30)	Q1/2	Fieldwork in progress. Additional work required.	Medical Director	Dec				
Business Continuity (25)	Q4		Director of Public Health	April				
ARCH (15)	Q1	FINAL	Director of Planning	Aug	Reasonable	-	-	-
Financial Governance and management (75)								
Core Financial Systems (25)	Q3	Planning	Director of Finance	Dec				
Finance Assurance Framework (25)	Q3	defer	Director of Finance	Feb				

Planned output	Outline timing	Current progress	Executive Lead	ARAC	Assurance	H	M	L
Contracting (25)	Q4	Mgt. request to move to Q4. Focus on contracting.	Director of Finance	Feb/Apr				
Clinical governance quality & safety (130)								
Annual Quality Statement (15)	Q1	FINAL	Director of Nursing, Quality & Patient Experience	Aug	Reasonable	0	4	0
Medical devices (25)	Q3	Work in progress	DCEO, Director of Operations	Dec				
Mortality rates (25)	Q4	planning	Medical Director	Apr				
Nursing Medication Errors (25)	Q3/4	planning	Director of Nursing, Quality & Patient Experience	April				
Closure of Actions (25)	Q3/4	planning	Director of Nursing, Quality & Patient Experience	Feb				
Nurse Staffing act - Additional Testing (15)	Q3/4	Planning. Added to Plan at ARAC request.	Director of Nursing, Quality & Patient Experience	Feb				
Information Governance and Security (70)								
Cyber Security (15)	Q3/4	planning	Director of Planning	April				
Virtualisation (15)	Q2	WIP	Director of Planning	Dec				
Departmental IT system (15)	Q2/3	planning	Director of Operations	Dec				

Planned output	Outline timing	Current progress	Executive Lead	ARAC	Assurance	H	M	L
IT Service Management (15)	Q2	planning	Director of Planning	Dec				
IT Follow up (10)	Q4	planning	Director of Planning	Feb				
Operational service and functional management (95)								
Directorate Review – Estates (25)	Q1/2	FINAL	DCEO, Director of Operations	Oct	Limited	3	4	-
Follow up Directorate Review – Estates	Q4	Added to plan	DCEO, Director of Operations	April				
Directorate Review – Bronglais (25)	Q1/2	Field work in progress	DCEO, Director of Operations	Dec				
Records Management (25)	Q4	planning	DCEO, Director of Operations	Apr				
National Standards for Cleaning (20)	Q4	planning	DCEO, Director of Operations	April				
Workforce management (130)								
Consultants Job Planning (25)	Q2	Fieldwork in progress	Medical Director	Oct				
Medical Leadership and aspiring leaders programme (20)	Q3/4	planning	Medical Director	Feb				
Electronic Staff Record System (20)	Q3	Initial draft	Director Workforce	Feb				
Rostering (25)	Q3	fieldwork	Director Workforce	Dec/Feb				
Variable Pay (25)	Q3	fieldwork	Director Workforce	Dec				
PADR Follow up (15)	Q4	Planning.	Director Workforce	Oct				

Planned output	Outline timing	Current progress	Executive Lead	ARAC	Assurance	H	M	L
Capital and Estates (IA 30) (SSU 140)								
Environmental Sustainability (15)Reporting	Q1	FINAL	DCEO & Director of Operations	Aug	Reasonable	0	5	0
Carbon Reduction Commitment (15)	Q1	FINAL	DCEO & Director of Operations.	Aug	Substantial	--	--	--
Estates Assurance - Water Management (Follow up)	Q2	FINAL	DCEO & Director of Operations	Dec	Substantial	--	--	--
Estates Assurance - Water Management (New review) (18)	Q2	FINAL	DCEO & Director of Operations	Dec	Limited	2	7	2
Capital Systems (Financial Safeguarding) (23)	Q2/3	Fieldwork completed	Director of Planning, Performance and Commissioning	Feb				
Follow up Water Management		Added to plan	DCEO & Director of Operations					
Water Management - Bronglais		Added to plan based on risks.	DCEO & Director of Operations					
Control Of Contractors		Added to plan based on risks.	DCEO & Director of Operations					
Glangwili Hospital, Women & Children's Development Phase 2 (23)	Q3	Fieldwork	Director of Planning, Performance and Commissioning	Dec				
Follow up (Capital and Estates) (5)	Q4	planning	Dir. Planning, Perf. / Commissioning/	Apr				

Planned output	Outline timing	Current progress	Executive Lead	ARAC	Assurance	H	M	L
			DCEO & Director of Operations					
Bronglais Hospital Front of House Development and Fire Lift - Final Account (9)	Q3	Planning.	Director of Planning, Performance and Commissioning	Feb				
Informatics Projects (22)	Q3	Defer to future year to accommodate additional work.	Director of Planning, Performance and Commissioning	Feb				
Major Strategic Investment Programmes –TCS & Other (40)	Q3	Defer part to future year to accommodate additional work.	Director of Planning, Performance and Commissioning	Feb				

Total resource

Internal Audits allocated in each assurance domains 780

Strategic and Operational planning 45

Assignment and Plan Management, 30

HIA Annual report & Opinion 5

Liaison 25

Follow up, 20

Contingency 30

NWSSP Audit Work and Assurance 65

Total Allocated Resource 1000

SSU Estates Capital 140 (chargeable)

Additional Assurance, through NWSSP, WHSSC, EASC, NWIS – no additional charge

DAA Involvement – no additional charge



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