

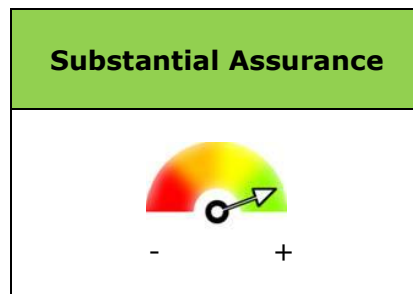
Estates Assurance - Follow Up

Final Internal Audit Report 2019/20

Hywel Dda University Health Board

Private and Confidential

**NHS Wales Shared Services Partnership
Audit and Assurance Services**



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Auditor/s: NWSSP: Audit & Assurance
Specialist Services Unit

Executive sign off Andrew Carruthers (Director of
Operations)

Distribution Rob Elliot (Assistant Director of Estates &
Capital Planning)
Tim Baines (Services Improvement
Manager)
Jayne Noble (Head of Medical Education
& Knowledge)
Paul Evans (Assistant Head of
Operational Facilities)
Gareth Lloyd (Head of Fire Safety
Management)

Committee Audit & Risk Committee



Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Chartered Institute of Internal Auditors.

ACKNOWLEDGEMENT

NHS Wales Audit & Assurance Services would like to acknowledge the time and co-operation given by management and staff during the course of this review.

Please note:

This audit report has been prepared for internal use only. Audit & Assurance Services reports are prepared, in accordance with the Service Strategy and Terms of Reference, approved by the Audit Committee.

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1. Introduction and Background

An audit was undertaken to determine the status of previously agreed recommendations arising from the following estates assurance audits:

- Residential Accommodation (Limited Assurance: issued April 2014)
- Backlog Maintenance (Reasonable Assurance: issued May 2016)
- Fire Precautions Follow Up (Reasonable Assurance: issued June 2018)

The University Health Board (UHB) maintains an audit tracker of agreed management actions, which is updated quarterly and reported to the Capital, Estates & IM&T (CE&IMT) Sub-Committee. Whilst the audit tracker report reflects the number of recommendations deemed to be implemented by UHB management, they state that closure of recommendations will only be confirmed by Audit follow up, based on independent review of evidence.

2. Scope and Objectives

This audit sought to take account of the UHB's audit tracker record to determine the focus of recommendations to follow up at this audit.

The audit was progressed through obtaining evidence in support of each recommendation, to demonstrate sufficient action has been taken to address each recommendation.

3. Associated Risks

The potential risks considered in the review were as follows:


- control frameworks continue to exhibit weaknesses;
- management do not have processes in place to review and action agreed audit recommendations (and consequential risk mitigation); and
- management do not have adequate recording systems to inform whether requisite actions have been undertaken, and are therefore unable to evidence actions.

OPINION AND KEY FINDINGS

4. Overall Assurance Opinion

We are required to provide an opinion as to the adequacy and effectiveness of the system of internal control under review. The opinion is based on the work performed as set out in the scope and objectives within this report. An overall assurance rating is provided describing the effectiveness of the system of internal control in place to manage the identified risks associated with the objectives covered in this review.

The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with the outstanding recommendations is **Substantial Assurance**.

RATING	INDICATOR	DEFINITION
Substantial Assurance		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.

The overall level of assurance that can be assigned to the follow up review is dependent on the ability of addressing the findings as applied against the specific review objectives and should therefore be considered in that context.

5. Summary of Audit Findings

The status of agreed management actions can be summarised as follows:

Audit	Closed	Partially implemented	Outstanding	Total
Residential Accommodation	2	1	-	3
Backlog Maintenance	3	-	-	3
Fire Precautions	2	-	-	2
Total	7	1	-	8

Therefore, of the eight recommendations that were agreed by management seven (88%) recommendations were fully implemented; and one (12%) was partially implemented.

The full audit findings are detailed in **Appendix A**.

6. Audit Recommendation

A summary of the recommendations remaining is outlined as:

	H	M	L	Total
Residential Accommodation	-	1	-	1
Total	-	1	-	1

The key issue for management is the finalisation of management and usage of SIFT monies.

The updated recommendations are detailed in **Appendix A** together with the management action plan and implementation timetable.

Note: Management agreement has been provided to all of the recommendations arising at this report. Noting the unprecedented times the UHB is facing, an initial timeframe of six months (from the date of the audit) has been set for the management actions. All recommendations will be reviewed at this date.

Residential Accommodation (April 2014) **Previously providing** 

Ref	Recommendation	Responsibility and Timescale @ April 19	Status reported @ April 19	Current status	Revised Responsibility, Timescale and Rating
Medium					
10	Management will consider the viability of accommodation both with and without SIFT monies.	Head of Medical Education and Services Improvement Manager June 2019	Partially implemented Work is ongoing regarding the utilisation of SIFT, with the potential that SIFT is held centrally, in the future, by Medical Education.	Partially implemented Management advised that there has been no progress reported from Finance to identify where the SIFT funding for accommodation is placed on a recurring basis on the Bronglais, Prince Philip and Glangwili sites. Further work is required from the Head of Medical Education & Knowledge to make an assessment as to what action needs to be taken to move the SIFT centrally to Medical Education.	Head of Medical Education & Knowledge September 2020

Audit Assurance Ratings



Substantial assurance - 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 - 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 - 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 - 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

Prioritisation of Recommendations

In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows.

Priority Level	Explanation	Management action
High	Poor key control design OR widespread non-compliance with key controls. PLUS Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in control design OR limited non-compliance with established controls. PLUS Some risk to achievement of a system objective.	Within One Month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. These are generally issues of good practice for management consideration.	Within Three Months*

* Unless a more appropriate timescale is identified/agreed at the assignment.