

5.1

Internal Audit Plan Progress Report

*Presenter: James Johns*

SBAR IA Plan Progress Report ARAC February 2020

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

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	25 February 2020
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Audit & Assurance Services Progress Report
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Head of Internal Audit
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	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; updated to the 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, along with acknowledging the recommended updates to the plan.

<b>Amcanion: (rhaid cwblhau)</b> <b>Objectives: (must be completed)</b>	
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: <a href="#">Hyperlink to HDdUHB Well-being Statement</a>	Not Applicable

<b>Gwybodaeth Ychwanegol:</b> <b>Further Information:</b>	
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)**

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

# **Hywel Dda University Health Board**

## **Audit & Risk Assurance Committee**

**February 2020**

**Internal Audit Progress Report**

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## **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, including the briefing note on the additional testing findings on the Nurse Staffing Act.

ASSIGNMENT	ASSURANCE RATING	
Bronglais Directorate	Limited	
Research & Development	Limited	
Cyber Security	Reasonable	
Medical Devices	Reasonable	
Nurse Staffing Act (Additional Testing – Briefing)	n/a	--



### **3. DELIVERY & PLANNING UPDATE**

**3.1** Further to the finalised audits, there are twelve other audits currently at field work stage and are now progressing well, with some reaching the draft report stage.

**3.2** The scheduling of the delivery of some audits have been adjusted, although still will be completed in time to issue the annual report and opinion. 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.

#### **3.3** Planning updates 2019/20

As a result of the revised timescale for the completion of the Annual Quality Statement the required Internal Audit work will now need to be brought forward and delivered at an earlier stage than in previous years so a further piece of audit work is required to be added to the plan. In addition the audit work with regards to Environmental Sustainability reporting is also required to be delivered earlier with a further audit added to the plan. In order to accommodate those two audits it is recommended that two audits are deferred, Medical Leadership and Health & Care Strategy which will be reviewed in the next audit year.

Following discussion with management they requested that the IT Service Management audit be deferred and considered as part of the planning process for the year ahead.

The audit plan included a provision for the audit of Major Strategic Investment Programmes. Through dialogue with management, it has been requested that the remaining allocation of time be deferred to 2020/21. This is intended to align with the expected increased programme activity to progress respective business cases - linked to funding anticipated from Welsh Government in 2020/21.

The Committee asked to acknowledge the recommended changes to the plan.

**3.4** The process for developing the Internal Audit plan for 2020/21 is currently underway, with a number of meetings having already taken place with Executive Directors to discuss risks within the areas. The draft plan will be discussed with the Board Secretary, Executive team and Committee Chair, prior to being presented to ARAC in April for formal approval.

**3.5** Following the recruitment exercise over recent months, two appointments were made to the Internal Audit team, with both now having taken up post as of January. This will enhance the delivery of audit work going forward.

**3.6** HIA annual opinion 2019/20 - During the year to date there have been several Limited Assurance reports issued, resulting in at least two individual assurance domains in the plan at risk of an adverse opinion. It is brought to the Committee's attention that the outcomes of the remaining audits for the year especially the planned follow up audits of previous Limited Assurance reports are going to be key when determining the overall annual opinion.

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

Planned output	Outline timing	Current progress	Executive Lead	ARAC	Assurance	H	M	L
<b>Corporate governance, risk and regulatory compliance</b>								
Governance & Risk Overview Governance, leadership and Accountability module & AGS.	Q1-4	---	Board Secretary	In Annual report	N/a	-	-	-
Health and Care Standards	Q4	wip	Director of Nursing, Quality & Patient Experience	Feb				
Welsh Risk Pool Claims	Q3/4	FINAL	Director of Nursing, Quality & Patient Experience	Dec/Fe b	Substantial	-	-	-
Standards of Behaviour	Q3/4	Brief agreed	Board Secretary	April				
Health & Safety	Q2/3	Work in progress/report being drafted	Director of Operations	Dec				
Welsh Language Compliance	Q2	FINAL	Director of Partnerships and Corporate Services	Oct	Reasonable	-	3	1

Planned output	Outline timing	Current progress	Executive Lead	ARAC	Assurance	H	M	L
<b>Strategic Planning, Performance</b>								
Patient Access	Q2	FINAL	Director of Operations	Dec	Substantial	-	1	-
Health & Care Strategy	Q4	defer	Medical Director	Apr				
Research and Development	Q1/2	FINAL	Medical Director	Feb	Limited	5	8	
Business Continuity	Q4	planning	Director of Public Health	April				
ARCH	Q1	FINAL	Director of Planning	Aug	Reasonable	-	-	-
<b>Financial Governance and management</b>								
Core Financial Systems	Q3	wip	Director of Finance					
Contracting	Q4	wip	Director of Finance					
<b>Clinical governance quality &amp; safety</b>								
Annual Quality Statement	Q1	FINAL	Director of Nursing, Quality & Patient Experience	Aug	Reasonable	0	4	0
Medical devices	Q3	FINAL	Director of Operations	Dec	Reasonable	2	2	

Planned output	Outline timing	Current progress	Executive Lead	ARAC	Assurance	H	M	L
Mortality rates	Q4	wip	Medical Director	Apr				
Nursing Medication Errors	Q3/4	wip	Director of Nursing, Quality & Patient Experience	April				
Closure of Actions	Q3/4	planning	Director of Nursing, Quality & Patient Experience	Feb				
Nurse Staffing act – Additional Testing ( Briefing Note)	Q3/4	FINAL	Director of Nursing, Quality & Patient Experience	Feb	n/a	-	-	-
<b>Information Governance and Security</b>								
Cyber Security	Q3/4	FINAL	Director of Planning	April	Reasonable	1	1	
Virtualisation	Q2	FINAL	Director of Planning	Dec	Substantial	-	1	-
Departmental IT system – Lillie ( Sexual health)	Q2/3	FINAL	Director of Operations	Dec	Reasonable	-	6	5
IT Service Management	Q2	Defer	Director of Planning	Dec				
IT Follow up	Q4	wip	Director of Planning	April				

Planned output	Outline timing	Current progress	Executive Lead	ARAC	Assurance	H	M	L
<b>Operational service and functional management</b>								
Directorate Review – Estates	Q1/2	FINAL	Director of Operations	Oct	Limited	3	4	-
Follow up Directorate Review – Estates (Follow up)	Q4	planning	Director of Operations	April				
Directorate Review – Bronglais	Q1/2	FINAL	Director of Operations	Feb	Limited	3	5	
Records Management (Follow up)	Q4	planning	Director of Operations	Apr				
National Standards for Cleaning (Follow up)	Q4	planning	Director of Operations	April				
<b>Workforce management</b>								
<b>Consultants Job Planning</b>	<b>Q2</b>	<b>FINAL</b>	<b>Medical Director</b>	<b>Dec</b>	<b>Limited</b>	<b>5</b>	<b>3</b>	<b>1</b>
<b>Electronic Staff Record System</b>	<b>Q3</b>	<b>FINAL</b>	<b>Director Workforce</b>	<b>Dec</b>	<b>Reasonable</b>	<b>-</b>	<b>3</b>	<b>-</b>
Rostering	Q3	draft	Director Workforce	Feb	Reasonable			
Variable Pay	Q3	Initial draft	Director Workforce	Feb				

Planned output	Outline timing	Current progress	Executive Lead	ARAC	Assurance	H	M	L
Medical Leadership and aspiring leaders programme	Q3/4	Defer	Medical Director	Feb				
PADR Follow up	Q4	wip	Director Workforce	Apr				
<b>Capital and Estates</b>								
Environmental Sustainability Reporting	Q1	FINAL	Director of Operations	Aug	Reasonable	0	5	0
Carbon Reduction Commitment	Q1	FINAL	Director of Operations	Aug	Substantial	--	--	--
Estates Assurance - Water Management (Follow up)	Q2	FINAL	Director of Operations	Dec	Substantial	--	--	--
Estates Assurance - Water Management (withybush)	Q2	FINAL	Director of Operations	Dec	Limited	2	7	2
Systems (Financial Safeguarding-maintenance)	Q2/3	FINAL	Director of Operations	Feb	Limited	8	7	2
Follow up Water Management - Withybush		planning	Director of Operations					
Water Management - Bronglais		wip	Director of Operations					
Control Of Contractors		wip	Director of Operations					
Follow up (Capital and Estates)	Q4	wip	Dir. Planning, Perf. / Commissioning/ Director of Operations	Apr				

Planned output	Outline timing	Current progress	Executive Lead	ARAC	Assurance	H	M	L
Capital Systems (Financial Safeguarding - capital)	Q2/3	FINAL	Director of Planning, Performance and Commissioning	Feb	Reasonable	-	2	1
Glangwili Hospital, Women & Children's Development Phase 2	Q3	wip	Director of Planning, Performance and Commissioning	Dec				
Major Strategic Investment	Q3	Defer.	Director of Planning, Performance and Commissioning	Feb				
Other work								
Bronglais Hospital Front of House Development and Fire Lift - Final Account	Q3	Wip / fieldwork paused, account not ready	Director of Planning, Performance and Commissioning		n/a			
Project Board Support	Q2	completed	Director of Planning, Performance and Commissioning		-----			





Office details: St Brides Building  
St David's Park  
Carmarthen  
Carmarthenshire  
SA31 3HB

Contact details: 01267 239780