5.1   Internal Audit Plan 2019/20 Progress Report
                Presenter: James Johns
                        SBAR IA Plan Progress Report ARAC June 2019
                        IA Plan Progress Report ARAC June 2019

PWYLLGOR ARCHWILIO A SICRWYDD RISG
AUDIT AND RISK ASSURANCE COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	25 June 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.

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

June 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 agreed 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.

1.4 The report also highlights the remaining audits form the 2018/19 plan.

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 2018/19	ASSURANCE RATING	
Savings and CIPs	Reasonable	
Budget Plan	Reasonable	

Health & Care Standards	Reasonable	
Asset Register Advisory	N/A	-----

3. DELIVERY OF THE INTERNAL AUDIT PLAN

3.1 The detail of the plan of audit work for the year is outlined in the schedule which is included at Appendix A.

3.2 Since the last meeting of ARAC, the four remaining audits form the 2018/19 plan have been completed.

3.3 Progress with the delivery of the 2019/20 plan has commenced within a number of audits at fieldwork stage and with the first audit reaching draft report stage.

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

Planned output		Current progress	Executive Lead	Outline timing	Assurance
Corporate governance, risk and regulatory compliance					
Governance & Risk Overview Governance, leadership and Accountability module. Annual Governance Statement.			Board Secretary	Q1-4	
Health and Care Standards			Director of Nursing, Quality & Patient Experience	Q4	
Welsh Risk Pool Claims			Director of Nursing, Quality & Patient Experience	Q3/4	
Standards of Behaviour			Board Secretary	Q3/4	
Health & Safety		Assignment Planning	DCEO, D of Operations	2/3	
Welsh Language Compliance		Assignment Planning	Director of Partnerships and Corporate Services	Q2	
Strategic Planning, Performance					
Patient Access		Audit brief being developed	DCEO, D of Operations	Q2	

Planned output		Current progress	Executive Lead	Outline timing	Assurance
Programme Management			Director of Planning	Q2	
TCS			Medical Director	Q4	
Research and Development		Audit brief being developed	Medical Director	Q1	
Business Continuity			Director of Public Health	Q4	
ARCH		Fieldwork in progress	Director of Planning	Q1	
Financial Governance and management					
Core Financial Systems -			Director of Finance	Q3	
Finance Assurance Framework			Director of Finance	Q3	
Commission and contracting		Planning discussions	Director of Finance	Q2	
Clinical governance quality & safety					
Annual Quality Statement		Draft Report	Director of Nursing, Quality & Patient Experience	Q1	Substantial
Medical devices			DCEO, Director of Operations	Q3	
Mortality rates			Medical Director	Q4	
Nursing Medication Errors			Director of Nursing, Quality & Patient Experience	Q3/4	

Planned output		Current progress	Executive Lead	Outline timing	Assurance
Closure of Actions			Director of Nursing, Quality & Patient Experience	Q3/4	
Information Governance and Security					
Cyber Security			Director of Planning	Q3/4	
Virtualisation			Director of Planning	Q2	
Departmental IT system			Director of Planning	Q2/3	
IT Service Management			Director of Planning	Q2	
IT Follow up			Director of Planning	Q3/4	
Operational service and functional management					
Directorate Review		Assignment Planning	DCEO, Director of Operations	Q1/2	
Directorate Review		Assignment Planning	DCEO, Director of Operations	Q1/2	
Records Management			DCEO, Director of Operations	Q4	
National Standards for Cleaning			DCEO, Director of Operations	Q4	
Workforce management					
Consultants Job Planning		Assignment Planning	Medical Director	Q2	

Planned output		Current progress	Executive Lead	Outline timing	Assurance
Medical Leadership and aspiring leaders programme			Medical Director	Q3/4	
Electronic Staff Record System			Director Workforce	Q3/4	
Rostering		Assignment Planning	Director Workforce	Q2	
Variable Pay			Director Workforce	Q3	
Capital and Estates					
Environmental Sustainability Reporting		Fieldwork in progress	Deputy Chief Executive & Director of Operations	Q1	
CRC		Fieldwork in progress	Deputy Chief Executive & Director of Operations.	Q1	
Follow up (Capital and Estates)			Director of Planning, Performance and Commissioning/ Deputy Chief Executive & Director of Operations	Q4	
Glangwili Hospital, Women & Children's Development Phase 2		planning	Director of Planning, Performance and Commissioning	Q2	
Bronglais Hospital Front of House Development and Fire Lift - Final Account			Director of Planning, Performance and Commissioning	Q3	
Capital Systems			Director of Planning, Performance and Commissioning	Q2/3	
Informatics Projects			Director of Planning, Performance and Commissioning	Q3	

		planning	Deputy Chief/ Executive & Director of Operations	Q2	
Estates Assurance					
Collaborative Development Support- Major Strategic Investment Programmes			Director of Planning, Performance and Commissioning	Q2/Q3	

For Reference: The assurance ratings are defined as follows:

Assurance rating	Assessment rationale	Guide to Rating
	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.	Few matters arising and are compliance or advisory in nature. No issues about design of policies or procedures or controls. Any identified compliance (O) issues are restricted to a single control objective or risk area rather than more widespread. No high priority audit findings. Few Low or Medium priority findings. Even when taken together any issues have low impact on residual risk exposure even if remaining unresolved.
	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.	Some matters require management attention in either control design or operational compliance. Any control design (D) limitations are isolated to a single control objective or risk area rather than more widespread. However compliance issues (O) may present in more than one area. Typically High priority findings are rare; but/or some Low or Medium priority findings. Even when taken together these will have low to moderate impact on residual risk exposure until resolved.
	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.	More significant audit matters require management attention either in materiality or number. Control design limitations (D) may impact more than one control objective or risk area. Compliance issues (O) may be more widespread indicating non-compliance irrespective of control design. Typically some high priority audit findings have been identified and these are not isolated; and/or several Medium or Low audit findings. Either individually or when taken together these are significant audit matters with moderate impact on residual risk exposure until resolved.
	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.	Significant audit matters require management attention both in terms of materiality and number. Control design limitations (D) impact the majority of control objectives or risk areas. Alternatively compliance issues (O) are widespread indicating wholesale non-compliance irrespective of control design. Several high priority audit findings have been identified in a number of areas; and/or several Medium audit findings. Either individually or when taken together these are significant audit matters with moderate impact on residual risk exposure until resolved.

For Reference: The priority of the findings and recommendations are as follows:

High	Medium	Low
Poor key control design OR widespread non-compliance with key control	Minor weakness in control design OR limited non-compliance with control	Potential to enhance design of adequate systems further
PLUS	PLUS	OR
Significant risk to achievement of a system objective OR evidence present of material loss, error or mis-statement	Some risk to achievement of a system objective	Isolated instances of non-compliance with control with negligible consequences
Timescale for action- Immediate	Timescale for action- Within one month	Timescale for action- Within three months

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