

Hywel Dda University Health Board

Review of PADR Process (Follow Up)

Final Internal Audit Report

May 2020

Private and Confidential

NHS Wales Shared Services Partnership

Audit and Assurance Services



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Auditor/s:	Rhian Williams & Gareth Heaven
Executive sign off:	Lisa Gostling (Director of Workforce & OD)
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 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.

Disclaimer notice - Please note:

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1. Introduction and Background

The follow up audit assignment originates from the 2019/20 internal audit plan. The relevant lead Executive Director for the assignment was the Director of Workforce & Organisational Development.

The original internal audit review (HDHB-1819-35) considered the adequacy of the systems and controls in place to ensure the quality of completed personal appraisal development reviews (PADRs) are meaningful for both the employee and management, in order to provide assurance to the Audit & Risk Assurance Committee that risks material to the achievement of system objectives are managed appropriately. A report rating of limited assurance was derived from this review. This audit has looked at the progress made by management to implement agreed actions to address the key findings identified in the previous report.

2. Scope and Objectives

The overall objective of this audit was to establish progress made by management to implement actions agreed to address key issues identified during the previous audit review of the adequacy of the systems and controls in place to ensure the quality of completed PADRs are meaningful for both the employee and management, in order to provide assurance to the Audit Committee that risks material to the achievement of system objectives are managed appropriately.

3. Associated Risks

The following inherent risks were considered during this audit:

- i. Poor and/or incomplete PADR documents;
- ii. Inaccurate performance figure submissions; and
- iii. Recommendations have not been addressed as agreed by management.


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 overall level of assurance that can be assigned to a review is dependent on the severity of the findings as applied against the specific review objectives and should therefore be considered in that context.

The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with the review of PADR process (Follow Up) is **Reasonable** assurance.

RATING	INDICATOR	DEFINITION
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.

Follow up work was undertaken to confirm the progress that the Health Board has made against the agreed management responses from the original audit.

In summary, progress against the seven agreed recommendations that required implementation is as follows: Priority rating	No of management responses to be implemented	Fully actioned	Partially actioned	Not actioned	Not reviewed
High	1	0	1	0	0
Medium	2	1	1	0	0
Low	0	0	0	0	0
Total	3	1	2	0	0





A review was undertaken to establish the progress of management actions against findings identified in the original review. Concluding testing, we can confirm that all sampled wards and departments are recording PADR information solely on the ESR system.

In addition, we noted that the introduction of the new PADR form has positively impacted on the quality of objectives and ensuring they meet the SMART principles set out in Health Board policy.

The progress of some management actions of ensuring the quality of PADR objectives meet the SMART principles and ensuring employees received adequate PADR training are ongoing.

5. Assurance Summary

The summary of assurance given against the individual objectives is described in the table below:

		Assurance Summary*			
Audit Objective					
1	Quality of completed PADR			✓	

* The above ratings are not necessarily given equal weighting when generating the audit opinion.

6. Summary of Audit Findings

The key findings are reported in within the main body below.

OBJECTIVE 1: Quality of completed PADRs

Personal Appraisal Development Review

A review of personal appraisal development reviews (PADRs) undertaken since June 2019 were tested within six departments (three new departments and three revisited departments) to ensure the quality of reviews complied with the SMART principles set out in the *PADR Policy*.

Concluding our review of the revisited departments, we noted the positive impact of objectives meeting the SMART principles since the introduction of the new PADR form – see Table A for breakdown.

Whilst noting the improvement in the quality of PADRs within the revisited departments, instances of objectives not meeting the SMART principles (explicitly the Specific, Measureable and Timely principles) were evident in a sample of PADR forms tested within three new departments.

Management action partially addressed.

PADR Training

In the original report, a review of the bespoke and NHS bespoke passport training register maintained by Workforce & OD identified seven (of 11) sampled wards and departments where at least one employee had not received PADR training.

A review of the Workforce & OD register, as at April 2020, continued to identify three of the seven wards where no employee had received PADR training – Catering BGH, Endoscopy BGH and Ceredig Ward BGH.

Management action partially addressed.

PADR Compliance Figures

The original report noted instances where the PADR compliance figures recorded within the ESR system were inaccurate for a sample of wards and departments. Concluding a review of PADR compliance levels, as at 31st March 2020, we can confirm that ward and department compliance figures are only recorded and maintained on ESR. Due to the outbreak of coronavirus (COVID-19), we were unable to verify PADR numbers against the figures recorded in ESR.


Management action partially addressed.


Table A – Breakdown of Sampled PADR Reviews


WARD/DEPT	NO. OF PADR REVIEWED	TOTAL OBJECTIVES REVIEWED	SPECIFIC		MEASURABLE		ACHIEVABLE		REALISTIC		TIMELY	
			Met	Not Met	Met	Not Met	Met	Not Met	Met	Not Met	Met	Not Met
<i>Departments revisited during this review</i>												
Flying Start Team	5	35	30	5	33	2	35	0	35	0	28	7
Endoscopy Dept. BGH	5	11	8	3	8	3	11	0	11	0	11	0
Blood Sciences GGH	4	23	22	1	23	0	23	0	23	0	23	0
<u>TOTAL</u>	<u>14</u>	<u>69</u>	<u>60</u>	<u>9</u>	<u>64</u>	<u>5</u>	<u>69</u>	<u>0</u>	<u>69</u>	<u>0</u>	<u>62</u>	<u>7</u>


Appendix A - Assurance Opinion and Action Plan Risk Rating

2019/20 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** arrangements in place to secure governance, risk management and internal control, within those areas under review, which 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.



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