Women & Child Health Directorate Governance Review

Final Internal Audit Report

September 2021

Hywel Dda University Health Board

NWSSP Audit and Assurance

GIG CYMRU NHS WALES
Partneriaeth Cydwasanaethau
Gwasanaethau Archwilio a Sicrwydd
Shared Services Partnership
Audit and Assurance Services

GIG CYMRU NHS WALES
Bwrdd Iechyd Prifysgol Hywel Dda University Health Board

Contents

Review reference:	HDUHB-2122-21
Report status:	Final
Fieldwork commencement:	14th July 2021
Fieldwork completion:	6th September 2021
Draft report issued:	7th September 2021
Debrief meeting:	12th August 2021
Management response received:	13th September 2021
Final report issued:	17th September 2021
Auditors:	Rhian Williams (Principal Auditor)
Executive sign-off:	Andrew Carruthers (Director of Operations)
Distribution:	Keith Jones (Director of Secondary Care)
	Lisa Humphrey (Interim General Manager)
Committee:	Audit & Risk Assurance 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
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.

Audit reports are prepared by the staff of the NHS Wales Shared Services Partnership – Audit and Assurance Services, and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of the Hywel Dda University Health Board and no responsibility is taken by the Audit and Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.

Executive Summary

Purpose

The purpose of the review was to establish whether the Directorate governance structures follow the principles set out in the Health Board's system of assurance and support the management of key risks.

Overview

The Directorate has faced challenges and difficulties due to the Covid-19 pandemic over the past 18 months that has resulted in the refocus of operational duties through this period. During this period the Directorate has maintained adequate governance structures and arrangements.

Overall, we identified no high priority issues for reporting in our review, although a number of medium priority findings were highlighted to further enhance the current arrangements, including governance reporting, updating of risk actions and identification financial saving schemes.

Report Classification

		Trend
Reasonable 	Some matters require management attention in control design or compliance. **Low to moderate impact** on residual risk exposure until resolved.	n/a

Assurance summary[1]

Assurance objectives		Assurance
1	Governance Structures	Reasonable
2	Risk Management	Reasonable
3	Declarations of Interest, Gifts, Hospitality and Sponsorship	Reasonable
4	Financial Management	Reasonable
5	Incidents and Concerns	Substantial

Matters Arising

		Assurance Objective	Control Design or Operation	Recommendation Priority
1	Terms of Reference	1	Operation	Medium
2	Reporting of Key Items	1	Operation	Medium
3	Risk Register	2	Operation	Medium
4	Register of Declaration of Staff Interests and Gifts	3	Operation	Medium
5	Saving Schemes	4	Operation	Medium

[1] The objectives and associated assurance ratings are not necessarily given equal weighting when formulation the overall audit opinion

1. Introduction

1.1 The governance review of the Women & Child Health (WCH) Directorate was completed in line with the 2021/22 Internal Audit Plan. The relevant Executive Director lead for the assignment was the Director of Operations.

1.2 The following inherent risks were considered during this review:

- the directorate is not appropriately governed;
- risks are not identified or addressed;
- the financial position is not met; and
- lessons learned are not captured and addressed.

2. Detailed Audit Findings

Objective 1: The Directorate has appropriate governance structures, with key meetings having approved terms of reference, agendas, and work plans to provide assurance on key objectives and risk areas

2.1 The WCH Directorate has an established Quality, Safety and Experience (QS&E) Group (acting as its main management group), which is supported by several sub-groups. A review of agendas and papers for the period April to June 2021 confirmed that monthly meetings were being undertaken with key members in attendance that met quorate.

2.2 A terms of reference (ToR) for the QS&E Group was in place that described its purpose, objectives, membership, attendees and operating arrangements. However, a review of the ToR highlighted the following:

- The ToR was not dated and a review date was not specified either.
- There was no reference detailing the sub-groups responsible for reporting into the QS&E Group in the ToR. **[Matter Arising 1]**

2.3 Whilst we noted that there was no annual work plan for the QS&E Group, we did note that the key standing items had been identified around governance, patient experience, quality, health and safety, external reporting, research and development, risks and safeguarding. A review of the papers for the period April to June 2021 confirmed the reporting against key standing items.

2.4 However, with the QS&E Group operating as the directorate's main management group, other key items such as finance, workforce and performance were not reported or discussed during the period tested nor reflected in the QS&E Group ToR. **[Matter Arising 2]**

2.5 A review was undertaken of the following Directorate sub-groups ToR and minutes and the following noted:

SUB GROUP/ FORUM	VALID TOR	SET PURPOSE/ OBJECTIVE	FREQUENCY OF MEETINGS
Midwifery & Women's Services - Antenatal/ Postnatal Forum	No	-	Monthly
Paediatric Services – Assurance Scrutiny Meeting	Yes	Yes	Monthly
Sexual Health – Sub QS&E Group	Yes	Yes	Bi-Monthly
Risk Management Group	No	-	Bi-Monthly
Complaints Working Group	Yes	Yes	Bi-Monthly

2.6 A review of the QS&E sub-groups and forums identified two instances where a ToR was unable to be located – Midwifery & Women's Services Antenatal/ Postnatal Forum and the

Risk Management Group; whilst the ToR for the Paediatric Services Assurance Scrutiny meetings was due for review in July 2021. **[Matter Arising 1]**

Conclusion:

2.7 This has resulted in a Reasonable assurance rating.

Objective 2: A risk management process is in place that ensures risks are appropriately identified, assessed, recorded, and escalated.

2.8 The Directorate holds a bi-monthly Risk Management Group specifically to review and scrutinise current and new risks, the actions put in place to mitigate the risks and updates in order to track progress. The risk register is then presented at the QS&E Group to inform the Directorate of new risks and progress.

2.9 We can confirm that the Directorate risk registers are a standing agenda item at the monthly Directorate QS&E Group meetings. A review of the QS&E Group minutes and papers between March and June 2021 confirmed that SBAR reports had been presented together with the risk registers at each meeting for discussion, with updates on actions taken to mitigate risks evident.

2.10 A review of the latest directorate risk register was undertaken to establish whether progress actions had been updated or closed. Every progress action is allocated a date for completion set by the Directorate. Of the 18 risks recorded on the Directorate's risk register, as at June 2021, seven risks had progress actions that had expired their set completion date and no update had been provided. **[Matter Arising 3]**

Conclusion:

2.11 The findings above have resulted in a Reasonable assurance rating.

Objective 3: The requirements of the declaration of interests, gifts, hospitality, and sponsorship has been implemented within the Directorate.

2.12 We undertook a review of the 2020/21 Health Board's registers of Staff Interests and Register of Gifts, Hospitality and Sponsorship to identify whether the Directorate had actively contributed to them.

2.13 The Health Board's *Standards of Behaviour Policy* requires specified groups of staff, senior members of staff are required to submit a declaration of interest form. We took a sample of five senior Directorate staff members and checked the Register of Staffs Interests for submission of their form. Of the five senior Directorate staff members listed on the staff interests register, one individual had not submitted a Declaration of Interest form. In addition, a review of the Register of Gifts Hospitality and Sponsorship showed no entries of gifts, sponsorships or hospitality had been recorded for staff within the Directorate. **[Matter Arising 4]**

Conclusion:

2.14 The above finding has resulted in a Reasonable assurance rating.

Objective 4: Appropriate financial management arrangements are in place within the Directorate, including compliance with an up-to-date scheme of delegation.

2.15 We can confirm that the structure of the Directorate is based on the scheme of delegation set out in the Health Board Standing Orders and Standing Financial Instructions and budget holders' roles and responsibilities are defines within the Health Board Standing Financial Instructions.

2.16 We can confirm that the financial position of the Directorate was discussed by the Service Delivery Managers together with the Senior Finance Business Partner on a weekly basis, with ad-hoc meetings also taking place at service level with the Senior Finance Business Partner. These are informal meetings with no formal minutes recorded.

2.17 The Directorate receives a monthly report that details the Directorate's financial position including actual and forecasted spend, key overspend and other variance to the budget. The Directorate's financial position as at Month 3 highlighted a £62k overspent, with a forecasted overspend for the year of £641k, against an annual budget of £40.4m.

2.18 Whilst actions were listed to address the current in-year overspend, specific savings schemes had not been identified to address the overall Directorate deficit reflecting the service pressures during the Covid-19 pandemic. However, a review of potential savings schemes are due to be identified by the Directorate by September 2021. **[Matter Arising 5]**

Conclusion:

2.19 The findings above has resulted in a Reasonable assurance rating.

Objective 5: The Directorate has appropriate processes in place to ensure actions are taken as a result of incidents and concerns.

2.20 The Directorate has established a Complaints Working Group, which meets on a bi-monthly basis, to review and scrutinise all received incidents and complaints recorded on the Datix system. The group is attended by key Directorate staff including service managers and a member of the Concerns Team. The work undertaken within this group feeds into the QS&E Group

2.21 We can confirm that incidents and concerns are a standing agenda item on the Directorate QS&E Group meetings. Review of the QS&E Group minutes for the period April to June 2021 confirmed that incidents and complaints were discussed, monitored, and closed off when necessary.

Conclusion:

2.22 The findings above has resulted in a Substantial assurance rating.

Appendix A: Management Action Plan

Matter Arising 1: Terms of Reference (Operation)		**Impact**
Review of the WCH Directorate QS&E Group ToR highlighted the lack of an approval and review date, whilst there was no reference detailing the sub-groups responsible for reporting into the group. We also identified two instances where a ToR was unable to be located for Midwifery & Women's Services Antenatal/ Postnatal Forum and the Risk Management Group; whilst the ToR for the Paediatric Services Assurance Scrutiny meetings was due for review in July 2021.		Potential risk of: • the directorate is not appropriately governed.
Recommendations		**Priority**
Management should ensure complete and accurate terms of reference for the QS&E Group and supporting sub-groups are maintained and approved.		**Medium**
Agreed Management Action	**Target Date**	**Responsible Officer**
The QS&E Group ToR is currently being updated to reflect the actions required which will include the sub groups responsible for reporting into the group. The antenatal/postnatal forum ToR are available, the risk management ToR is currently being updated.	30th September 2021	Lisa Humphrey (Interim General Manager)

9/14

Matter Arising 2: Reporting of Key Items (Operation)		**Impact**
The QS&E Group is currently operating as the Directorate's main management group. However, key items such as finance, workforce and performance were not reported or discussed during the period tested nor reflected in the QS&E Group ToR.		Potential risk of: • the financial position is not met.
Recommendations		**Priority**
Management should review current reporting arrangements to ensure key items such as finance, workforce and performance are regularly reported to the directorate's management group.		**Medium**
Agreed Management Action	**Target Date**	**Responsible Officer**
The directorate will establish a formal operational business meeting where workforce, finance and performance will be discussed, with the outcome of that meeting reflected in the monthly QS&E meeting.	30th September 2021	Lisa Humphrey (Interim General Manager)

Matter Arising 3: Risk Register (Operation)		**Impact**
Of the 18 risks recorded on the Directorate's risk register, as at June 2021, seven risks had progress actions that had expired their set completion date and no update had been provided.		Potential risk of: • risks are not identified or addressed.
Recommendations		**Priority**
Management must ensure the progress of actions recorded on the Directorate's risk register are updated and reviewed on a regular basis.		**Medium**
Agreed Management Action	**Target Date**	**Responsible Officer**
All risks on the directorates risk register will be reviewed and updated appropriately via the risk management group and reported and received via the directorate QS&E Group.	30th September 2021	Lisa Humphrey (Interim General Manager)

Matter Arising 4 : Register of Declaration of Staff Interests and Gifts (Operation)		**Impact**
Of the five senior Directorate staff members listed on the staff interests register, one individual had not submitted a Declaration of Interest form, whilst a review of the Register of Gifts Hospitality and Sponsorship showed no entries of gifts, sponsorships or hospitality had been recorded by staff within the Directorate.		Potential risk of: • the directorate is not appropriately governed.
Recommendations		**Priority**
Management must ensure all employees comply with the Standards of Behaviour Policy, including: • the completion of a declaration of interest form (including a nil return if relevant) by senior Directorate staff for inclusion on the register of interests; and • all gifts, sponsorships and hospitality received by the Directorate are submitted for registration on the relevant corporate register.		**Medium**
Agreed Management Action	**Target Date**	**Responsible Officer**
All senior staff have now submitted their declarations of interest. There are no gifts, sponsorships and hospitality to be submitted for registration.	30th September 2021	Lisa Humphrey (Interim General Manager)

Matter Arising 5: Saving Schemes (Operation)		**Impact**
Whilst actions were listed to address the current in-year overspend, specific savings schemes had not been identified to address the overall Directorate deficit reflecting the service pressures during the Covid-19 pandemic. A review of potential savings schemes are due to be identified by the Directorate by September 2021.		Potential risk of: • the financial position is not met.
Recommendations		**Priority**
Management should ensure a review and identification of potential saving schemes is undertaken to contribute to addressing the Directorate's financial deficit.		**Medium**
Agreed Management Action	**Target Date**	**Responsible Officer**
A review of savings schemes is being undertaken within the directorate and will be complete by 21st September.	30th September 2021	Lisa Humphrey (Interim General Manager)

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	**Substantial assurance**	Few matters require attention and are compliance or advisory in nature. **Low impact** on residual risk exposure.
	**Reasonable assurance**	Some matters require management attention in control design or compliance. **Low to moderate impact** on residual risk exposure until resolved.
	**Limited assurance**	More significant matters require management attention. **Moderate impact** on residual risk exposure until resolved.
	**No assurance**	Action is required to address the whole control framework in this area. **High impact** on residual risk exposure until resolved.
	**Assurance not applicable**	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Recommendations

We categorise our recommendations according to their level of priority as follows:

Priority level	Explanation	Management action
High	Poor system design OR widespread non-compliance. Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in system design OR limited non-compliance. Some risk to achievement of a system objective.	Within one month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. Generally issues of good practice for management consideration.	Within three months*

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