



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

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	22 February 2022
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Audit & Assurance Services 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 Audit & Assurance Services progress report provides the Audit & Risk Assurance Committee (ARAC) with an update in relation to the delivery of the Internal Audit Plan for 2021/22, along with outcomes from individual finalised audits.

**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, amendments to the agreed plan and outcomes of audits completed since the previous meeting of the committee.

**Aseiad / 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 note the progress with delivery of the plan for current year, the required adjustments to the plan and the assurance available from the finalised Internal Audit reports

<b>Amcanion: (rhaid cwblhau) Objectives: (must be completed)</b>	
Committee ToR Reference Cyfeirnod Cylch Gorchwyl y Pwyllgor	<p>3.17 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.</p> <p>3.18 This will be achieved by:</p> <p>3.18.1 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;</p> <p>3.18.2 review of the adequacy of executive and management responses to issues identified by audit, inspection and other assurance activity, in accordance with the Charter;</p> <p>3.18.3 Regular 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;</p> <p>3.18.4 ensuring that the Internal Audit function is adequately resourced and has appropriate standing within the organisation; and</p> <p>3.18.5 annual review of the effectiveness of internal audit.</p>
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 Objectives Annual Report 2018-2019</a>	Not Applicable

<b>Gwybodaeth Ychwanegol: Further Information:</b>	
Ar sail tystiolaeth: Evidence Base:	Internal Audit plan. Evidence gathered as part of the delivery of audit assignments.
Rhestr Termiau: 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. ARAC Chair.
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<b>Effaith: (rhaid cwblhau)</b> <b>Impact: (must be completed)</b>	
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**

**February 2022**

**Audit & Assurance Services  
Internal Audit Progress Report**



**GIG  
CYMRU  
NHS  
WALES**

Partneriaeth  
Cydwasaethau  
Shared Services  
Partnership



**GIG  
CYMRU  
NHS  
WALES**

Bwrdd Iechyd Prifysgol  
Hywel Dda  
University Health Board



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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

### Please note

This 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 & Risk Assurance 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.

## 1. Introduction and Background

- 1.1** This progress report provides the Audit & Risk Assurance Committee (ARAC) with the current position in relation to the delivery of the 2021/22 Internal Audit Plan
- 1.2** The report also includes details of the progress the delivery of individual audits, outcomes from finalised audits along any updates required to the plan.

## 2. Outcomes from Finalised Audits

- 2.1** Five Internal Audit Reports have been finalised since the previous meeting of the Committee and are highlighted in the table below along with the allocated assurance ratings, where applicable. The full versions of these reports are included on the agenda as separate items.

ASSIGNMENT	ASSURANCE RATING	
Bank Staff Payments – Briefing Note	n/a	-
Records Management Follow up	n/a	-
Waste Management	Reasonable	
MH&LD IT - PAS Follow up	Reasonable	
Use of Consultancy follow up	Reasonable	

### 3. Internal Audit Plan 2021/22 - Planning and Delivery Update

**3.1** The delivery of the Internal Audit Plan for 2021/22 has been progressing although some delays have occurred in recent weeks. The assignment status schedule at Appendix A sets out a summary current progress.

**3.2** In the period since the previous meeting of the committee, there have been challenges with delivery of some planned audits, due to the increasing operational pressures faced by the Health Board. This has made it more difficult than usual to gain information and meet with key individuals when required. As a result of this, together with some absence within the Audit & Assurance team, a number of audit reports that were planned to be delivered at this meeting of the committee have not yet been completed.

The current position of the audits that have not made the deadline summarised in the table below.

<b>Audit delayed</b>	<b>Planned ARAC</b>	<b>Current position</b>	<b>Rating</b>	<b>Reason</b>	<b>Revised ARAC</b>
Workforce Planning	Dec	WIP	--	Availability of key information as a result of operational pressures, together with audit staff absence.	April
Tritech	Dec	Initial draft	--	Further work was required on the audit.	April
Primary care cluster	Feb	Initial draft	--	Availability of key information as a result of operational pressures and some audit resource pressure.	April
Performance monitoring & reporting	Feb	wip	--	Availability of appropriate audit resource.	April
Non-clinical temporary staff	Feb	Draft	--	Challenges in obtain information and time taken to conclude the work.	April

**3.3** Though ongoing planning discussions with Health Board and ARAC Chair, taking into account changing priorities and operational pressures, the following adjustments are required to the plan:

- To defer - Quality & Safety Governance
- To defer - Commissioning
- To defer - Falls
- To defer – IT Infrastructure
- To defer – Continuing Healthcare
- To defer – Job Planning
- To include - Nurse Staffing Act

- To include - Bank Staff Payments Process
- To include - Backline Financial Reconciliations system

In addition to the audits recommend for addition above, at previous meetings we have also added a number of audits including of Use of Consultancy Follow up, MH WPAS follow up, Trittech and Points of Ligature.

It is important to confirm for the Committee that the changes made to the plan will not impact on ability to give an annual opinion.

The Committee is asked to approve the required adjustments to the plan.

**3.4** At the December meeting of ARAC the audit report covering the implementation of the WPAS system with Mental Health was presented. Following the discussion, a query was raised by the Committee Chair with regards to the assurance rating given to the audit. Since that meeting the rating has been reviewed, looking at the balance of findings and ratings for individual objectives. As a result, I confirm that it is considered that the rating assigned to the audit was appropriate.

**3.5** Since the previous meeting of ARAC, the regular programme of meetings with the Board Secretary have continued, as well as a meeting with the Committee chair. Meetings have also taken place with Executive Directors and senior managers in relation to audits currently being delivered and in relation to work planned later in the year. Regular meetings continue to take place with Audit Wales.

**3.6** The Audit & Assurance team having continued to work with the Governance and Risk team to ensure a coordinate approach to recommendation follow up, attending meetings jointly and supporting the process by requesting evidence in order to provide a view as to where specific recommendations on the tracker can be closed.

**3.7** Key Performance Indicators for 21/22 are highlighted in Appendix B.

**3.8** The process to develop the Internal Audit Plan for 22/23, is underway with the view of presenting the Plan to they April ARAC meeting for Approval.



**Appendix A – HDUHB Internal Audit Plan 2021/22 – Assignment Status Schedule**

Planned audit output	Audit Type	Outline timing	Current progress	Executive Lead	Planned ARAC	Assurance	H	M	L
Risk Management & Board Assurance Framework	3	Q4	planning	Board Secretary	May				
Corporate Governance	3	Q4	Planning	Board Secretary	Linked to annual report.				
Quality & Safety Governance Framework	3	Q3/4	Defer	Director of Nursing, Quality & Patient Experience	--				
Financial Planning, Reporting and Monitoring.	3	Q2/3	FINAL	Director of Finance	Dec	Reasonable		3	
Performance Reporting and Monitoring	2	Q3	wip	Director of Finance	Apr				
Annual Recovery Plan / Planning Objectives	3	Q2/3	FINAL	Director of Strategic & Operational Planning	Oct	Reasonable	-	2	1
Field Hospital Decommissioning	3	Q1	FINAL	Director of Operations	Aug	n/a	-	-	-
Waiting List Risk Management	2	Q2	FINAL	Director of Operations	Oct	Reasonable	-	1	-
Restart of Elective Work /Planned Recovery	3	Q2	Deferred	Director of Operations	—	—			

## Audit & Risk Assurance Committee Progress Report

Planned audit output	Audit Type	Outline timing	Current progress	Executive Lead	Planned ARAC	Assurance	H	M	L
Use of Consultancy	1	Q1/2	FINAL	Director of Finance	Aug	Limited	1	3	-
Single Tender Actions	1	Q1/2	FINAL	Director of Finance	Aug	Reasonable	1	2	-
Commissioning	1	Q3	defer	Director of Finance	---				
Welsh Language Standards	1	Q1	FINAL	Chief Executive	Aug	Limited	3	2	1
<del>Clinical Audit</del>	<del>±</del>	<del>Q3</del>	<del>Deferred 22/23</del>	<del>Director of Nursing, Quality &amp; Patient Experience</del>	<del>---</del>				
Infection Prevention & Control	2	Q3	Planning	Director of Nursing, Quality & Patient Experience	May				
Falls	2	Q3/4	defer	Director of Nursing, Quality & Patient Experience	-				
Mental Health Patient Administration System	1	Q2	FINAL	Director of Finance	Oct/dec	Limited		5	
IT Infrastructure	1	Q3/4	defer	Director of Finance	-	----			
The Security of Network & Information Systems (NIS) Regulations	1	Q4	Planning	Director of Finance	April				

Audit & Risk Assurance Committee Progress Report

Planned audit output	Audit Type	Outline timing	Current progress	Executive Lead	Planned ARAC	Assurance	H	M	L
IT Back Up Arrangements	1	Q2/3	FINAL	Director of Finance	Dec	Substantial	-	-	-
Mental Health and Learning Disabilities (MHL) Directorate	2	Q2	FINAL	Director of Operations	Oct	Reasonable	1	2	-
Directorate Review Women and Children's Services Directorate	2	Q1/2	FINAL	Director of Operations	Oct	Reasonable	-	5	-
Public Health	2	Q3/4	Deferred 22/23	Director of Public Health	--	-----			
Directorate Review Therapies	2	Q2	FINAL	Director of Therapies	Oct/dec	Reasonable			
Primary Care Clusters	2	Q3/4	wip	Director of Primary, community and Long-Term care	April				
Continuing Health Care	1	Q3/4	Defer	Director of Primary Care, Community and Long-Term care	--				
Partnership Governance follow up	2	Q3/4	planning	Director of Primary Care, Community & Long-Term care	May				
Records Management	2	Q2/3	FINAL	Director of Operations	Feb	-----			
Consultants Job Planning	1	Q3/4	Deferred	Medical Director	-				

## Audit & Risk Assurance Committee Progress Report

Planned audit output	Audit Type	Outline timing	Current progress	Executive Lead	Planned ARAC	Assurance	H	M	L
Medical Staff Recruitment	2	Q1/2	FINAL	Director of Operations	Oct	Reasonable	1	1	1
HTA compliance	1	Q1/2	FINAL	Medical Director	Aug	Reasonable	1	2	1
Workforce Planning	2	Q3	wip	Workforce & OD Director	April				
Organisational Values & Staff Wellbeing	1	Q2/3	wip	Workforce & OD Director	April				
Directorate Governance PPH	2	Q2	FINAL	Director of Operations	Oct	Reasonable		3	2
Delayed transfers of Care/ Discharge Process	3	Q1/2	FINAL	Director of Operations/ Director Primary, Community and Long-Term Care	Oct	n/a	-	-	-
Waste Management	2	Q3/4	Final	Director of Operations	Feb	Reasonable	-	2	1
Decarbonisation	2	Q4	Defer 22/23	Director of Operations	April	-			
Women & Children Phase II	3	Q4	wip	Director of Operations	April				
Non Clinical Temporary Staffing	2	Q3/4	draft	Director fo Workforce	April				-
TriTech	3	Q3/4	Initial draft	Medical Director	April				
MHLD WPAS follow up	1	Q4	FINAL	Director of Finance	Feb	Reasonable	-	2	-
Use of Consultancy follow up	1	Q4	FINAL	Director of Finance	Feb	Reasonable	-	2	-
Bank Staff Payment Process (Briefing note)	1	Q4	FINAL	Director of Workforce	Feb	----	-	-	-

Audit & Risk Assurance Committee Progress Report

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Planned audit output	Audit Type	Outline timing	Current progress	Executive Lead	Planned ARAC	Assurance	H	M	L
Nurse Staffing Act	2	Q4	Wip	Director of Nursing, Quality & Patient Experience	April				
Points of Ligature	2	Q4	plan	Director of Nursing, Quality & Patient Experience	May				
Backline Financial Reconciliations	1	Q4	plan	Director of Finance	May				

### Description of Audit Categories.

A brief explanation of each audit type is show below and the definition will be included in each progress report. The planned category type is shown against each audit in the status schedule above.

#### Audit type 1

Typically, a standard audit, in terms of planned time requirements, coverage and complexity. Some routine coverage and testing included. Much of the testing is likely to be quantitative in nature. The time requirement used for planning purposes is twenty days.

#### Audit Type 2

Typically planned time requirements, coverage, and complexity are greater than type1. May include broader coverage of audit areas and increased requirements for the volume and complexity of testing or documentation review and a larger number of meetings. Testing is likely to be both quantitative and qualitative in nature requiring judgements. Potential increase in the level of risk of audit area. The time requirement used for planning purposes is twenty-five days.

#### Audit type 3

Similar to type 2 with coverage of an audit area with even more volume, complexity, and a greater level of risk. The time requirement used for planning purposes is thirty days.

**Appendix B Key Performance Indicators (end of January 22)**

Indicator Reported to Audit Committee	Status	Actual	Target	Red	Amber	Green
Operational Audit Plan agreed for 2020/21	<b>G</b>	April 2021	By 30 June	Not agreed	Draft plan	Final plan
Total assignments reported (to at least draft report stage) against plan to date for 2021/22	<b>A</b>	54% (19 of 35)	69% (24 of 35)	$v > 20\%$	$10\% < v < 20\%$	$v < 10\%$
Report turnaround: time from fieldwork completion to draft reporting [10 working days]	<b>G</b>	95% (18 of 19)	80%	$v > 20\%$	$10\% < v < 20\%$	$v < 10\%$
Report turnaround: time taken for management response to draft report [15 working days]	<b>G</b>	100% (16 of 16)	80%	$v > 20\%$	$10\% < v < 20\%$	$v < 10\%$
Report turnaround: time from management response to issue of final report [10 working days]	<b>G</b>	100% (16 of 16)	80%	$v > 20\%$	$10\% < v < 20\%$	$v < 10\%$



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