

# **Hywel Dda University Health Board**

## **Quality & Safety Governance**

### **Final Internal Audit Report**

**January 2021**

**Private and Confidential**

**NHS Wales Shared Services Partnership**

**Audit and Assurance Services**



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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.

### **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 & Risk Assurance Committee.

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## **1. Introduction and Background**

The review of Quality & Safety Governance was completed in line with the Hywel Dda University Health Board Internal Audit Plan for 2020/21. The relevant lead Executive Director for this review was the Director of Nursing, Quality & Patient Experience.

## **2. Scope and Objectives**

The overall objective of this audit was to establish the Health Board's governance arrangements for quality and safety, in order to provide assurance to the Audit & Risk Assurance Committee that risks material to the achievement of the system's objectives are managed appropriately.

The following objectives were reviewed as part of this audit:

- The revised governance arrangements allow for the reporting of quality and safety issues from services and directorates through to the Health Board; and
- The business goals of quality and safety groups and committees are driven by the risk register.

Testing was undertaken within the following identified directorates – Women & Children's Health, Mental Health and Learning Disabilities and Scheduled Care to identify the extent to which the new governance arrangements for Quality and Safety have been embedded.

## **3. Associated Risks**

The potential risk considered in the review were as follows:

- No governance arrangements in place to review and progress quality and safety issues within the organisation; and
- Current and future quality and safety risks impacting the Health Board are not being addressed.

## **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 Quality and Safety Governance based on the three directorates reviewed is **Reasonable** assurance.

| RATING               | INDICATOR   | DEFINITION   |
|----------------------|---|--|
| Reasonable Assurance |  | <p>The Board can take <b>reasonable assurance</b> 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 <b>low to moderate impact on residual risk</b> exposure until resolved.</p> |





Overall the controls in place to manage the risks associated with the systems and processes tested within the review were of a reasonable standard.

The audit concluded that the Health Board has made progress in embedding governance arrangements to review and progress quality and safety issues within the sampled directorates. Management should continue to rollout the embedding of quality and safety across other directorate and service governance groups, including lessons learned. The business goals of the quality and safety groups were clearly found to be driven by the directorate's risks. However, we noted that some directorates do not regularly submit their risk registers for review.

In addition, two medium priority findings were highlighted in regard of inconsistencies identified within the sampled Quality and Safety Governance Group terms of reference and the lack of regular progress and action reports by specialties and departments that has been implemented by the Scheduled Care directorate.

## 5. Assurance Summary

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

| Audit Risk |   | Assurance Summary*  |  |   |   |
|------------|---|---|--|---|---|
|            |   |  |  |  |  |
| 1          | The revised governance arrangements allow for the reporting of quality and safety issues from services and directorates through to the Health Board |   |  | ✓   |   |
| 2          | Current and future quality and safety risks impacting the Health Board are not being addressed  |   |  | ✓   |   |

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

### Design of Systems/Controls

The findings from the review have highlighted no issues that are classified as weaknesses in the system control/design for the requirements of Quality & Safety Governance.

### Operation of System/Controls

The findings from the review have highlighted **three** issues that are classified as weaknesses in the operation of the designed system/control for compliance with the requirements of Quality & Safety Governance. These were identified in the Management Action Plan as (O).

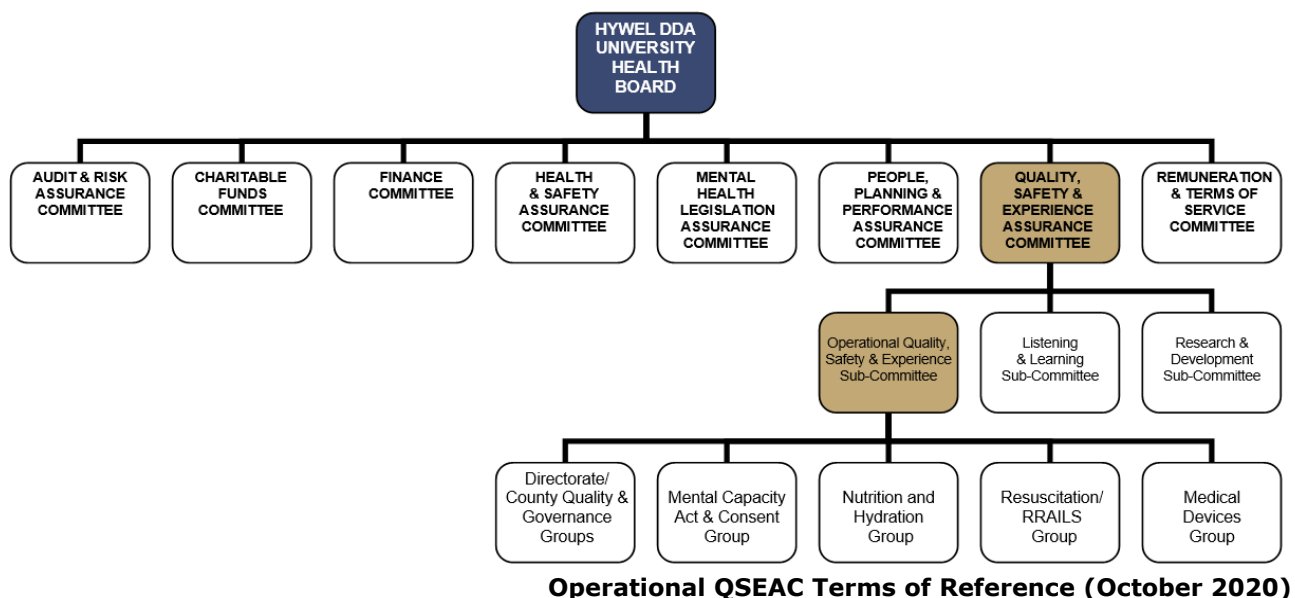
## 6. Summary of Audit Findings

The key findings are reported in the Management Action Plan at Appendix A.

### **OBJECTIVE 1: The revised governance arrangements allow for the reporting of quality and safety issues from services and directorates through to the Health Board**

A review of the corporate governance arrangements and structure was commissioned by the Health Board Chair in 2019. A paper of the review outcomes was submitted to the Health Board in January 2020 and highlighted the weaknesses within operational quality and safety governance arrangements.

The Health Board agreed that the Quality, Safety and Experience Assurance Committee (QSEAC) would continue to be supported by the Operational QSEAC, whilst acute, community and Mental Health & Learning Disabilities groups feed into the Operational QSEAC.



Plans have been developed to enhance the quality and safety arrangements within directorate and county governance groups through the rollout of a standardised terms of reference (TOR) and agenda in 2021. Progress has begun in embedding quality and safety governance arrangements within the Women & Child Health (W&CH), Scheduled Care and Mental Health & Learning Disabilities (MH&LD) directorates.

We can confirm that agendas, minutes and extant terms of reference were in place for the sampled Quality and Safety Governance Group meetings within the W&CH, Scheduled Care and MH&LD directorates during 2020. A review of the three directorate minutes confirmed the full and accurate recording of the submitted papers.

A review of the TORs currently in place or drafted for the three sampled directorate Quality and Safety Governance Groups highlighted elements of a consistent approach to governance arrangements such as the adoption of a formal structure and headings. However, inconsistencies were identified in the Quality and Safety Governance Group TOR's for the three sampled directorates where content varied, such as reporting frequencies, quoracy and identified key members.

**See Finding 1 of Appendix A**

**OBJECTIVE 2: The business goals of quality and safety groups and committees is driven by the risk register**

A review was undertaken of the sampled directorate Quality and Safety Governance Groups to establish whether agendas were driven by their risk registers.

Concluding our review, we identified that there were consistent standing items across the three directorate Quality and Safety Governance Groups agendas with internal arrangements such as incidents, complaints, safeguarding, and health and safety issues regularly reported. In addition, we also noted the submission of external quality and safety reports from organisations such as Healthcare Inspectorate Wales.

The Scheduled Care directorate risk register was regularly reported and scrutinised at their Quality and Safety Governance Group for the period June to October 2020. However, the risk register for MH&LD directorate had not been submitted during this period, whilst the risk register was only submitted once at the W&CH directorate group during the period May to August 2020.

Sound arrangements of a risk-driven agenda was evident within the Scheduled Care directorate that also included specialty assurance and exception reports. These reports detailed the progress and actions made in addressing risks recorded on the local risk register that impact on the specialties, and the identification of further recommendations to mitigate the risks.

**See Findings 2 & 3 of Appendix A**



## 7. Summary of Recommendations

The audit findings and recommendations are detailed in Appendix A together with the management action plan and implementation timetable.

A summary of these recommendations by priority is outlined below.

| <b>Priority</b>                  | <b>H</b> | <b>M</b> | <b>L</b> | <b>Total</b> |
|----------------------------------|----------|----------|----------|--------------|
| <b>Number of recommendations</b> | <b>0</b> | <b>3</b> | <b>0</b> | <b>3</b>     |

|   |  |
|---|--|
| <p><b>Finding 1 – Terms of Reference (O)</b></p>  | <p><b>Risk</b></p>   |
| <p>Inconsistencies were identified in the Quality and Safety Governance Group terms of reference for the three sampled directorates where content varied, such as reporting frequencies, quoracy and identified key members.</p>                    | <p>Inadequate governance arrangements in place to review and progress quality and safety issues within the organisation.</p> |
| <p><b>Recommendation 1</b></p>  | <p><b>Priority level</b></p>   |
| <p><b>Management should ensure current and draft Quality and Safety Governance Group terms of reference for directorates are consistent in their approach and reflect the organisation’s agreed quality and safety governance arrangements.</b></p> | <p><b>MEDIUM</b></p>   |
| <p><b>Management Response</b></p>   | <p><b>Responsible Officer/ Deadline</b></p>  |
| <p>Accepted. A template terms of reference has been developed for adoption by the Directorate. To share the template terms of reference with all directorates for adoption</p>  | <p>Assistant Director of Nursing<br/>April 2021</p>  |

|  |  |
|--|--|
| <p><b>Finding 2 – Risk Registers (O)</b></p>   | <p><b>Risk</b></p>   |
| <p>Whilst we noted that the risk register was regularly reported at the Scheduled Care directorate Quality and Safety Governance Group for the period June to October 2020, the risk register had not been submitted to MH&amp;LD directorate meetings during this period, whilst the risk register was only submitted once at the W&amp;CH directorate group meetings during the period May to August 2020.</p> | <p>Current and future quality and safety risks impacting the Health Board are not being addressed.</p> |
| <p><b>Recommendation 2</b></p>   | <p><b>Priority level</b></p>   |
| <p><b>Management should ensure risk registers are a standing item on directorate and service Quality and Safety Governance Group agendas.</b></p>  | <p><b>MEDIUM</b></p>   |
| <p><b>Management Response</b></p>  | <p><b>Responsible Officer/ Deadline</b></p>  |
| <p>Accepted. A template agenda has been developed for use by the Directorate. To share the template agenda with all directorates for adoption.</p>   | <p>Assistant Director of Nursing<br/>April 2021</p>  |

|   |  |
|---|--|
| <p><b>Finding 3 – Specialty Assurance (O)</b></p>   | <p><b>Risk</b></p>   |
| <p>Sound arrangements of a risk-driven agenda was evident within the Scheduled Care Directorate that also included specialty assurance and exception reports. These reports detailed the progress and actions made in addressing risks recorded on the local risk register that impact on the specialties, and the identification of further recommendations to mitigate the risks.</p> | <p>Current and future quality and safety risks impacting the Health Board are not being addressed.</p> |
| <p><b>Recommendation 3</b></p>  | <p><b>Priority level</b></p>   |
| <p><b>Management should implement the good practice demonstrated by the Scheduled Care directorate by ensuring the progress and actions of specialty and department risks are captured and regularly reported to the Quality and Safety Governance Groups.</b></p>  | <p><b>MEDIUM</b></p>   |
| <p><b>Management Response</b></p>   | <p><b>Responsible Officer/ Deadline</b></p>  |
| <p>This good practice by the Scheduled Care Directorate is noted. To share the good practice at the Senior Nurse Management Team meeting and encourage other Directorates to use same model.</p>  | <p>Assistant Director of Nursing<br/>April 2021</p>  |

## Appendix B - Assurance Opinion and Action Plan Risk Rating

### 2020/21 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    |
|----------------|---|----------------------|
| <b>High</b>    | Poor key control design OR widespread non-compliance with key controls.<br>PLUS<br>Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement. | Immediate*           |
| <b>Medium</b>  | Minor weakness in control design OR limited non-compliance with established controls.<br>PLUS<br>Some risk to achievement of a system objective.  | Within One Month*    |
| <b>Low</b>     | Potential to enhance system design to improve efficiency or effectiveness of controls.<br>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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