

Follow-up: Management of Health Board Policies

Final Internal Audit Report

May 2024

Cardiff & Vale University Health Board



Partneriaeth
Cydwasaethau
Gwasanaethau Archwilio a Sicrwydd
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Bwrdd Iechyd Prifysgol
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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 Chartered Institute of Public Finance & Accountancy in April 2023.

Acknowledgement

NHS Wales Audit and 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 and Assurance Services reports are prepared, in accordance with the agreed audit brief, and the Audit Charter as approved by the Audit and Assurance Committee.

Our work does not provide absolute assurance that material errors, loss or fraud do not exist. Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with Cardiff & Vale University Health Board. Work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, or all circumstances of fraud or irregularity. Effective and timely implementation of recommendations is important for the development and maintenance of a reliable internal control system

Executive Summary

Purpose

The overall objective of this audit was to provide the Health Board with assurance regarding the implementation of the agreed management actions from the 'Management of Health Board Policies' review that was reported as part of our 2022/23 work programme.

Overview of findings

Since completion of our original audit there have been a number of changes to the staff within the Corporate Governance Department, including appointment of a new Director of Corporate Governance. This had led to changes in the arrangements and processes for the management of policies.



However, management have made good progress in introducing the new arrangements and therefore addressing the recommendations detailed in the initial Final Internal Audit Report.

Of the nine recommendations made, six of them have been closed and the one high recommendation has been moved down to medium.










However, further work is required in the following areas:

- While the number of out-of-date policies has fallen since our previous review, further work is required to get all policies up to date.
- While draft changes have been made to 'UHB 242 - Written Control Documents - Development and Approval Procedure' to reflect the new arrangements, it has not yet been formally reviewed, approved and communicated to relevant personnel.
- The Health Board's website and SharePoint have not yet been fully reviewed and updated to ensure that all relevant information is readily and easily accessible.

Follow-up Report Classification

Reasonable 	Follow up: All high priority recommendations implemented and progress on the medium and low priority recommendations.	Trend 
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Progress Summary

Previous Matters Arising	Previous Priority Rating	Direction of Travel	Current Priority Rating
1 Policy for the management of policies	Medium		Medium
2 Out of date policies and procedures	High		Medium
3 Tracker spreadsheet	Medium		Closed
4 Consultation process	Medium		Closed
5 Policies and Procedures Sharepoint home page	Low		Closed
6 Standing Operating Procedure	Medium		Closed
7 Corporate Policies Management System Plan	Medium		Low
8 Published policies and procedures	Medium		Closed
9 Notifying staff and stakeholders	Medium		Closed

1. Introduction

- 1.1 The follow-up review of 'Management of Health Board Policies' was completed in line with the 2023/24 Internal Audit Plan for Cardiff and Vale University Health Board (the 'Health Board'). The opinion provided through this review is a key component, which will inform the Head of Internal Audit's Annual Opinion.
- 1.2 This was a follow-up review of the original report that was issued in May 2023, which identified nine issues and resulted in an overall assurance rating of 'Limited Assurance'.
- 1.3 The Lead Executive Director for this review is the Director of Corporate Governance.

Audit Risks

- 1.4 The associated risks considered in the original review were as follows:
- There are inadequate processes to follow when developing or reviewing policies;
 - Policies are developed without relevant input from key staff and stakeholders;
 - Out of date policies and procedure fail to adequately direct working practices; and
 - Inappropriate decisions or working practices are undertaken due to a lack of awareness about new policies, changes to existing policies and policies that are no longer active.

2. Findings

- 2.1 The table below provides an overview of progress in implementing the previous internal audit recommendations:

Original Priority Rating	Number of Recommendations	Implemented / Obsolete (Closed - No Further Action Required)	Action Ongoing (Further Action Required)	Not implemented (Further Action Required)
High	1	-	1 (R2)	-
Medium	7	5	2 (R1 & R7)	-
Low	1	1	-	-
Total	9	6	3	-

- 2.2 Full details of recommendations requiring further action are provided in the **Management Action Plan** in **Appendix A**.

Appendix A: Management Action Plan

Previous Matter Arising 1: Policy for the management of policies (Operation)		
Original Recommendation	Original Priority	
<ul style="list-style-type: none"> Updated Policies and Procedure should be added promptly to the Health Board’s website and Sharepoint. Fixed PDF versions of documents should be added to CVU’s website and SharePoint so that they cannot be amended. However, separate Word versions may also be required where documents need to be completed by users. For example, the key document approval checklist which should be completed by the developer of a policy who is separate from Corporate Governance. UHB 242 should be circulated by email to all relevant staff who are required to follow it. The key document approval checklist in UHB 242 should be used and fully completed. The Document Style links on page 25 of UHB 242 should be amended so that they work correctly. UHB 001 and UHB 242 should be updated to reflect changes to committee structure which are being implemented. 	Medium	
Management Response	Target Date	Responsible Officer
<p>The Policies and Procedure (UHB 001 and UHB 242) are publicly available on our Website, and are available to staff via SharePoint. They are now published in a pdf format.</p>	Completed	Head of Corporate Governance
<p>As and when staff contact the Corporate Governance department with queries relating to policies and other written controlled documents, copies of the up to date Policy and Procedure (UHB 001 and UHB 242) are sent by email to the member of staff concerned. The Corporate Governance team also send a copy of the Key Document approval checklist (in Word format) for completion and return.</p>	Completed	Head of Corporate Governance
<p>The Key Document approval checklist referred to in UHB 242 is now being used by the Corporate Governance team.</p>	Completed	Head of Corporate Governance
<p>The Policy and Procedure (UHB 001 and UHB 242) will be reviewed following the recent update to the Committee structure and all links enclosed in the same will be updated to ensure they</p>	End of June 2023	Head of Corporate Governance

operate. In the meantime, copies of the relevant templates are sent out by the Corporate Governance team, as appropriate, to ensure that new/reviewed policies are updated using the up to date templates.

Current findings		Residual Risk
<p>The current approved Policies and Procedures (UHB 001 and UHB 242) are available in PDF format on the Health Board's website and SharePoint.</p> <p>However, while draft changes have been prepared to 'UHB 242 - Written Control Documents - Development and Approval Procedure' to reflect the new arrangements which are being implemented for the management of Health Board policies, it has not yet been formally reviewed, approved and communicated to relevant personnel. At the time of the previous audit, a Standing Operating Procedure which covered the Corporate Governance Team's management of the Corporate Policies was being developed. However, it has been agreed to incorporate it within UHB 242.</p> <p>Furthermore, the Health Board's website and SharePoint had not been fully reviewed and appropriately updated so that all relevant information relating to Policies and Procedures is readily and easily available.</p> <p>Up to date templates can be shared digitally and are now also available on SharePoint via the Corporate Governance landing page</p> <p>Conclusion: This recommendation is partially completed.</p>		<p>Inappropriate decisions or working practices may occur.</p>
New Recommendations		Priority
<p>1.1 The draft changes to 'UHB 242 - Written Control Documents - Development and Approval Procedure' which have been prepared to reflect the new arrangements and incorporate the Standing Operating Procedure should be formally reviewed, approved and communicated to relevant personnel.</p>	<p style="text-align: center;">Medium</p>	
<p>1.2 The Health Board's website and SharePoint should be reviewed to ensure that they have been appropriately updated, including all links, so that all relevant information is readily and easily available.</p>		

Management Response		Target Date	Responsible Officer
1.1	Policy UHB 242 and UHB 001 prioritised for updates, these will be completed to reflect the new digital process and shared with appropriate personnel throughout the organisation	Sept 2024	Corporate Archivist & Records Management Manager
1.2	All policies across the 3 digital repository of SharePoint, Website and AMaT will continue to be streamlined and brought inline and synchronised with one another, this includes renaming all available PDFs online to include UHB Policy numbers to increase transparency and ease of access	Oct 2024	Corporate Archivist & Records Management Manager

Previous Matter Arising 2: Out of date policies and procedures (Design)		
Original Recommendation		Original Priority
The out of date policies and procedures should be reviewed, updated and published as soon as possible.		High
Management Response	Target Date	Responsible Officer
<p>Whilst a detailed plan to address to the previous recommendations made by Internal Audit in 2019/20 was drawn up and presented to the Audit and Assurance Committee in November last year, unfortunately it has been very challenging adhering to the timescales set out in the plan. This has been due to a number of reasons, including limited resource with the Corporate Governance team to undertake this large piece of work.</p> <p>The plan will be updated to reflect the recommendations made (see agreed management action 7 below), but in the meantime the following actions will be undertaken as soon as possible:-</p> <p>a) Head of Corporate Governance to review the current Policies Tracker and ensure that each Policy/other controlled document referenced on the Tracker has an Executive Lead sponsor.</p> <p>b) Produce an updated list of out of date Policies/other controlled documents per Executive Lead and issue to the same for comment with regards to likely timescales to review each policy.</p> <p>c) Executive Leads to work with the Head of Corporate Governance to provide a completed list of all of those out of date policies/other written controlled documents by the end of July 2023.</p> <p>The Corporate Policies Management System Plan 2022/23 is to be reviewed by the Head of Corporate Governance, updated and presented to the Audit Committee in early July 2023.</p>	End of July 2023	Head of Corporate Governance
Current findings		Residual Risk
Following our previous review, there have been extensive changes in the personnel within the Corporate Governance department and the arrangements in place for the management of Health Board policies.		Inappropriate decisions or working practices may occur.

Previously, spreadsheets were used to manage the policies, but these are being replaced by a dedicated computerised process (AMaT Audit Management and Tracking tool) which will automatically highlight the number of policies which are out of date and regularly chase policy holders for action to be undertaken. All policies have now been added onto the AMaT system.

At the time of our previous review, there were 502 policies in place and this has since reduced to 401 following discussions with Executives. In addition, we identified that 68% of the Policies and Procedures were out of date during our previous audit. We have been informed that following implementation of management actions a – c listed above, this is now reduced to 64% and work has been undertaken with all policy holders to reduce the figure further. Although this is a small reduction, Management have informed us that there are a number of driving factors now in place to receive updated versions of policies that were not previously held centrally and so Management anticipate that this number will reduce further.

Conclusion: This recommendation is partially completed.

New Recommendations		Priority	
2.1	Work should continue to be undertaken to get all Health Board policies up to date as soon as possible.	Medium	
Management Response		Target Date	Responsible Officer
2.1	Review of all policies will continue; all policies are now on AMaT and regular email notifications for over due items are being triggered these will continue to be monitored and chased for updates	Jan 2025	Corporate Archivist & Records Management Manager

Previous Matter Arising 7: Corporate Policies Management System Plan (Design)		
Original Recommendation		Original Priority
<p>If all actions in the Corporate Policies Management System Plan 2022/23 have not been completed and scheduled targets have not all been met by the May 2023 deadline, then a progress update and revised target completion dates should be presented at the next available Audit Committee.</p>		Medium
Management Response	Target Date	Responsible Officer
<p>The timescales set out in the Policies Management System Plan were ambitious and very challenging. Given the current resource within the Corporate Governance team, it has been very difficult adhering to the timescales set out in the original Plan.</p> <p>The Head of Corporate Governance will review the Corporate Policies Management System Plan 2022/23 with the Director of Corporate Governance.</p> <p>The updated Plan will be presented to the Audit Committee on 4 July 2023.</p>	June 2023	Head of Corporate Governance
Current findings		Residual Risk
<p>An update was presented to the Audit & Assurance Committee on 7 November 2023.</p> <p>Whereas the previous plan was a very detailed step by step document, this update was much broader / general in nature due to the changes in personnel which have occurred. However, we are comfortable with the new approach identified.</p> <p>The update set out:</p> <ul style="list-style-type: none"> • There is now a dedicated Policy Lead for the Health Board. • Work is being done to baseline the entire catalogue of policies and contact policy owners to review their policies. • An alternative automated system is being implemented, Audit Management and Tracking platform (AMaT), to track and manage the Health Board’s policies. 		<p>Insufficient oversight of progress on getting the system in place for the management of policies and procedures up to date and operating effectively.</p>

Following discussion with the Archivist, it was agreed that going forward it may be helpful to provide quarterly summary snapshots to the Board and annual snapshots to the Audit & Assurance Committee which set out the number of policies and the number overdue for review by each Directorate.





Conclusion: This recommendation is fully completed but an additional recommendation has been raised.

New Recommendations		Priority
7.1	Consideration should be taken to provide quarterly summaries to the Audit & Assurance Committee which set out the number of policies and the number overdue for review by each Directorate.	Low
Management Response	Target Date	Responsible Officer
7.1	July 2024	Corporate Archivist & Records Management Manger
<p>This will be achieved with detailed reports and excel documents generated directly from AMaT listing policies with their respective over due or planned review date. These will be categorised by Exec lead and presented to the Committee quarterly.</p> <p>The next Audit & Assurance meeting is July 24 whereby the first snapshot of progress will be shared</p> <p>This item will be added to the Forward plan (provided digitally via Corporate Governance SharePoint site) to ensure its received to the committee quarterly.</p>		

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:

	<p>Substantial assurance</p>	<p>Few matters require attention and are compliance or advisory in nature. Low impact on residual risk exposure. Follow up: All recommendations implemented and operating as expected</p>
	<p>Reasonable assurance</p>	<p>Some matters require management attention in control design or compliance. Low to moderate impact on residual risk exposure until resolved. Follow up: All high priority recommendations implemented and progress on the medium and low priority recommendations.</p>
	<p>Limited assurance</p>	<p>More significant matters require management attention. Moderate impact on residual risk exposure until resolved. Follow up: No high priority recommendations implemented but progress on most of the medium and low priority recommendations.</p>
	<p>Unsatisfactory assurance</p>	<p>Action is required to address the whole control framework in this area. High impact on residual risk exposure until resolved. Follow up: No action taken to implement recommendations</p>

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.



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