



WALES **AUDIT** OFFICE

SWYDDFA **ARCHWILIO** CYMRU

Follow-up review of progress implementing previous performance audit recommendations

Velindre NHS Trust

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The person who delivered the work was Andrew Strong.

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Summary report

Summary

1. Effective processes to handle, manage and monitor progress on implementing audit recommendations are essential to ensure Velindre NHS Trust (the Trust) obtains the most benefit from regulation from both internal and external audit and inspection bodies and their recommended actions.
2. We have therefore undertaken a review that sought to answer the question:
 - ‘Does the Trust have effective mechanisms in place to manage and monitor the progress made against external audit recommendations?’
3. The aim of this review was to assess the mechanisms in place for tracking progress against all the external performance audit recommendations that have been issued and which will emerge from planned work. Specific focus in this review was given to measuring the progress made in implementing performance audit recommendations from our previous work reported in the Legacy Statement in late 2009, with particular reference to the Holistic Risk Assessment (May 2009), Information Governance follow-up (December 2008) and Human Resources (May 2009) reviews. In the latter half of 2011 we plan to undertake detailed follow-up work at the Trust to assess the extent to which previous audit recommendations have been implemented. Particular focus will be given to assessing progress made following our reviews of Hospital Catering and the NHS Consultant Contract reported in early 2011.
4. However, in early 2010 after NHS re-organisation all the recommendations from the Holistic Risk Assessment were removed from the audit action plan with the agreement of the Audit Committee. This decision was made due to our planned Structured Assessment work in late 2010 which would provide a baseline assessment of the Trust after NHS re-organisation against a range of governance, managing finances and use of resources criteria. We used the work of the Holistic Risk Assessment to inform our 2010 Structured Assessment work.
5. Our overall conclusion is that the Trust has established a reasonable process to track progress against audit recommendations although the time taken to complete performance audit recommendations can be improved.
6. In summary, the reasons for this conclusion are set out below:
 - over the last 12 months the Trust has strengthened the process to track progress against audit recommendations although there is scope to further improve; and
 - the time taken to complete performance audit recommendations can be improved.
7. These findings are considered in more detail in the following sections of this report. The recommendations arising from our work are set out below.

Recommendations

8. This review has identified a number of recommendations which should help the Trust improve its current approach to managing progress made against audit recommendations. As a result of the review, we have made the following recommendations.

R1 Agree a process for all local performance reports to ensure that an action plan is developed and agreed by the Trust for the Audit Committee, ensuring all recommendations are included within the audit action plan.

R2 Establish a mechanism to consider Wales Audit Office national value for money reports to identify if and how the Trust can benefit from each study. Allocate responsibility for this task to an appropriate Trust manager.

R3 Adopt the SMART approach to action planning to help address performance audit recommendations on a timely basis.

R4 Develop an analysis of the number of audit recommendations made and completed in a period, for example, quarterly or annually.

Detailed report

Over the last 12 months the Trust has strengthened the process to track progress against audit recommendations although there is scope to further improve

9. During early 2010 the Trust strengthened the process to handle, manage and monitor progress on implementing audit recommendations. An audit action plan was introduced to record and identify the current position with respect to audit recommendations. The audit action plan is reported to each Audit Committee meeting and to every other Executive Management Board.
10. The key features in the mechanism to handle, manage and monitor progress on implementing audit recommendations are summarised below:
 - recommendations are added to the audit action plan once the final report has been presented to the Audit Committee and an action plan has been agreed;
 - the audit action plan outlines the key information required to handle and manage the agreed action and includes a reference number, recommendation, priority, management action, responsibility, accountable officer, agreed implementation date, status and comments on progress;
 - before every Audit Committee relevant progress is updated by the action owner as appropriate;
 - the status of each audit action is colour coded and analysed under four criteria: red – action has not been completed by the agreed date, amber – action is not on target to be completed by the agreed date, yellow – action is on target to be completed by the agreed date and green – completed;
 - trust officers and the Audit Committee can monitor progress made by reviewing the status of each audit action; and
 - once recommendations have been fully implemented they are removed from the open items part of the audit action plan after being presented to the next Audit Committee and an audit trail, retained by including the action in a record of completed audit actions.
11. Whilst a reasonable process to handle, manage and monitor audit recommendations has been established, the Trust recognises that the process is still developing. We have identified a number of ways for the Trust to further strengthen the current approach. These include:
 - Improving the time taken to produce a local action plan from each audit report and include those actions on the audit action plan. For example, the recommendations from the Catering Study report presented to the Audit Committee in November 2010 have not been incorporated into an action plan and therefore have not yet been added to the audit action plan.

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- In early 2011 we presented our Structured Assessment report to the Trust. In that report we commented on the arrangements to ensure that Trust resources are used efficiently, effectively and economically and in a way which provides the firm foundations for sustainable service improvements, and made a number of recommendations. The Trust has yet to add these recommendations or development actions to the audit action plan. As a result the Audit Committee is unable to assess progress made against these development actions.
 - National value for money examinations that have a potential NHS impact which are completed and reported by the Wales Audit Office are included in the audit position statement presented to each Audit Committee. Although these do not have recommendations that are directly made to the Trust they contain relevant good practice and improvement actions that the Trust may wish to consider, and from which the Trust may benefit. The Trust should establish a mechanism to formally assess and consider these national value for money reports and include appropriate additions within the audit action plan.
 - In accepting and agreeing audit recommendations the Trust would benefit from using the SMART¹ approach to action planning. This would help ensure that the Trust fully understands the actions required to address recommendations so these can be completed on a timely basis.
 - The Trust is set quite a large number of recommendations by both internal and external audit across a wide range of reviews. A summary is produced of the number of actions across high, medium and low priority ratings, however, it is often difficult to gauge the overall progress made against these actions on an annual basis. Audit Committee members may also find it useful to be provided with a simple trend analysis of the number of recommendations made and completed in a period, for example, quarterly or annually, to demonstrate overall progress made across a range of audit reviews, both internal and external.

¹ SMART – It is generally accepted that objectives, outcomes and performance targets should be Specific, Measurable, Achievable, Realistic and Timely.

The time taken to complete performance audit recommendations can be improved

12. We have reviewed the progress made by the Trust on implementing our performance audit recommendations reported in the Legacy Statement in October 2009. We have reviewed the audit action plan and liaised with appropriate staff to establish the actions taken to complete the recommendations reported and assess the progress made where recommendations have yet to be fully implemented.
13. Overall, we would expect the Trust to have fully addressed most performance audit recommendations within a reasonable timescale, for example, 12 months. The Trust has made some progress on implementing a number of audit recommendations although further work is still needed in a number of other areas. The time taken to complete performance audit actions can be improved with a number of audit actions extending both beyond their originally planned and revised implementation date. Exhibit 1 below summarises the progress which the Trust has made. Of the nine recommendations made at least two years ago four of the recommendations remain incomplete.

Exhibit 1 – summary of progress made on performance audit recommendations

Audit review/date	Number of recommendations made	Completed	In progress
Information Governance follow-up review – December 2008	7	5	2
Human Resources review – May 2009	2	0	2

Source: Wales Audit Office fieldwork

14. The Trust acknowledges the time taken to fully address the performance audit recommendations could be improved and have taken the steps noted above over the last 12 months to strengthen the monitoring process. Appendix 1 shows in detail the progress made by the Trust across the follow-up reviews.

Appendix 1

Progress made on recommendations

Ref	Recommendation	Progress made	Target completion date	Wales Audit Office comment
Information Governance follow-up study – December 2008 (progress based on audit action plan and discussions with Trust's Information Governance manager)				
1	Complete the implementation of the four recommendations from our 2006 review that remain incomplete.	Three of the four recommendations carried forward from our 2006 review have been completed. One recommendation, 1.2 below remains in progress.	End date for recommendation 1.2 is 31 December 2011.	N/A
1.1	Implement the Wales Accord for Sharing Personal Information (WASPI) tiers as they are released following the working groups' consultations. Ensure arrangements are in place within the Trust to implement the tiers as soon as they are published.	Completed The Trust signed up to the WASPI with submissions made to the WASPI secretariat.	Completed.	N/A

Ref	Recommendation	Progress made	Target completion date	Wales Audit Office comment
1.2	<p>Perform an assessment of how the Trust complies with the ISO 27000 specification. This should involve a gap analysis and testing, for example, an external and internal penetration test and network vulnerability assessments.</p> <p>An implementation plan of actions to improve information security management should be documented and approved to reach compliance.</p>	<p>In progress</p> <p>The Velindre NHS Trust IM&T Management Group will take this action forward (perform an assessment of ISO 27000 compliance) with technical input from the NHS Wales Informatics Service (NWIS).</p>	<p>Revised proposed end date – 31 December 2011.</p>	N/A
1.3	<p>Update the S60 submission to the PIAG for key changes to the security environment and measures to secure access to patient-identifiable data.</p>	<p>Completed</p> <p>PIAG (now ECC) approval has been sought for the Patient Episode Database Wales (PEDW) and National Community Child Health Database (NCCHD).</p>	<p>Completed.</p>	N/A
1.4	<p>Complete the actions that remain outstanding to obtain compliance with Caldicott. These actions should be completed as soon as practically possible.</p>	<p>Completed</p> <p>The Trust has completed Caldicott Audits for all Trust Divisions and the assessment process based on the new all-Wales Caldicott Manual has been completed. Action plans will be monitored via the Trust Information Governance Committee.</p>	<p>Completed.</p>	N/A

Ref	Recommendation	Progress made	Target completion date	Wales Audit Office comment
2	<p>Prepare to implement the revised WASPI within the required areas of the Trust when it is re-launched and increase Trust awareness by:</p> <ul style="list-style-type: none"> formally committing to the revised WASPI; allocating responsibility to named Trust officers; performing an impact assessment; and producing a detailed implementation action plan. 	<p>Completed</p> <p>The Trust has signed the WASPI declaration. Information Governance leads within the respective Trust Divisions are communicated the requirements via the Trust's Information Governance Committee. Any requirements to use WASPI are co-ordinated by the Trust Information Governance Manager. Data sharing agreements both intra-NHS and external will be based on the WASPI framework.</p>	Completed.	N/A
3	<p>Review the current management arrangements for the revised and expanded Caldicott requirements when these are re-launched later in 2008. The Trust should complete:</p> <ul style="list-style-type: none"> a self-assessment of compliance against the new guidance and requirements; and an action plan to address any work required to meet compliance and make improvements. 	<p>Completed</p> <p>The Trust has completed Caldicott Audits for all Divisions and the assessment process based on the new all-Wales Caldicott Manual has been completed. Action plans will be monitored via the Trust Information Governance Committee.</p>	Completed.	N/A

Ref	Recommendation	Progress made	Target completion date	Wales Audit Office comment
4	<p>Strengthen the information security arrangements over data held on mobile computing devices by:</p> <ul style="list-style-type: none"> • updating the Information Security Policy and producing a Trust policy for the storage of data held on mobile computing devices; • completing risk assessments of the impact of the loss of data held on mobile computing devices across the whole Trust; • working towards compliance with the ISO 27000 series on security management specification across the whole Trust; and • implementing appropriate encryption solutions to safeguard sensitive or personally identifiable data; 	<p>In progress</p> <p>The Trust has implemented an encryption strategy. Divisions have been responsible for implementation of the appropriate technology to manage endpoint devices (for example, USB, handheld devices and mobile phones). Some Divisions are currently procuring software as part of the NWIS framework agreement for Encryption. NWIS compliance with the ISO 27000 series will extend to other areas of the Trust through the amalgamation of IT provision within the Trust as a whole. The Trust Security Policy has been updated. The Data Protection Policy has recently been updated to reflect the Trust's commitment to applying the appropriate safeguards. This Policy is currently within the approval phase.</p> <p>The Velindre NHS Trust IM&T Management Group will take this action forward (perform an assessment of ISO 27000 compliance) with technical input from the NWIS.</p>	<p>Revised proposed end date – 30 September 2011.</p>	<p>N/A</p>

Ref	Recommendation	Progress made	Target completion date	Wales Audit Office comment
4	<ul style="list-style-type: none"> performing audit checks to ensure compliance with the policy on the storage and use of data held on mobile computing devices; and ensuring staff Information Governance training is regularly performed for all Trust staff processing personally identifiable patient data and develop communications processes, so that unauthorised or reckless actions engage the Trust's disciplinary procedures. 	See page 12.	See page 12.	See page 12.

Ref	Recommendation	Progress made	Target completion date	Wales Audit Office comment
Human Resources (HR) review – May 2009 (progress based on audit action plan)				
1	<p>To realise the full potential of its workforce we recommend that:</p> <ul style="list-style-type: none"> • The Trust set a clear direction for its HR service that incorporates the national priorities and takes into account the evidence contained within this report. This should include: <ul style="list-style-type: none"> – addressing modernisation of the HR service; – determining and clarifying the role and function of HR services for both internal and hosted services; – adopting a corporate approach to HR service delivery, workforce planning and workforce development and modernisation; and – ensuring clear training and development linkages with (or incorporated into the function of) HR to enable effective training and development of the Trust's staffing resource. 	<p>In progress</p> <p>Progress in this area includes:</p> <ul style="list-style-type: none"> • Human Resources and training review project was launched in October 2010 with a planned end date of February 2011; • February to March 2011 – Consultation with HR and training staff on the proposed HR and training structure including an implementation timetable; • April to June 2011 – an integrated HR and training structure was established and issued for consultation with key stakeholders including divisional senior management teams and divisional directors; and • July 2011 – New HR and training structure to be presented to the July 2011 Executive Management Board prior to implementation. 	Revised implementation date to February 2011.	The Trust should set a new implementation date.

Ref	Recommendation	Progress made	Target completion date	Wales Audit Office comment
2	<p>To support delivery of the strategy we recommend:</p> <ul style="list-style-type: none"> the Trust develop clearly defined responsibilities for all HR staff; in supporting HR modernisation the Trust undertake an assessment of HR staff and divisional service managers' skills and training needs and provide any required training and support; the Trust develop a clear and consistent approach to provision of training and ensure systems are in place to identify training needs and delivery; the Trust ensure that all HR policies are reviewed and, if required, are revised to support clarity, ease of use and consistency of application; and the Trust undertake regular HR policy compliance checks to ensure correct and fair application of policies. 	<p>In progress</p> <p>Progress in this area includes:</p> <ul style="list-style-type: none"> The HR and training review project was launched in October 2010 with a planned end date of February 2011. Proposed HR and training structure outlined for consultation with staff. Review included specific posts for compliance, workforce modernisation, education and development. Job descriptions for changed and new posts have been developed. All HR policies have been reviewed to ensure they are 'fit for purpose' and those policies that need to be amended have been prioritised for revision. 	Revised implementation date to February 2011.	The Trust should set a new implementation date.



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