Audit Committee 26 June 2008

Internal audit progress report

Executive summary and recommendations

**Introduction**

Jon Dee of PKF has prepared the attached report which sets out progress on internal audit. This is the first progress report covering the Internal Audit Plan for 2008-9.

**Decision**

The Committee is asked to discuss the report.

**Background information**

At its meeting on 27 February 2008, the Committee approved the Internal Audit Plan for 2008-9. Internal audit reports for each completed audit are considered at committee meetings during the year.

**Resource implications**

None.

**Financial implications**

None.

**Appendices**

Internal Audit Progress Report.

**Date of paper**

16 June 2008.

# Health Professions Council

# Internal Audit

## Audit Committee Progress Report – 2008/09

*16th June 2008*

## Introduction

This report summarises the progress that we have made with the 2008/09 internal audit programme and the results arising from the reviews that we have undertaken in the period since we last presented our findings to the Audit Committee.

## Overview of progress

We are pleased to note that the audit programme is progressing steadily in accordance with the timetable approved by the Audit Committee in February 2008.

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|---|---|
| **Total planned audit days for 2008/09** | **47 days** |
| Target audit days to be completed by 16th June 2008 | 15 days |
| Actual audit days completed as at 16th June 2008 | 15 days |
| **Remaining audit days to be completed** | **32 days** |
| Quarter three projects | 21 days |
| Quarter four projects | 9 days |
| Contingency | 2 days |

We wish to thank all HPC employees for their availability, co-operation and assistance during the course of the reviews undertaken during this period.

## Implications for governance

No significant control failures have been identified from the audits carried out to date.

## Summary of the results of the audits undertaken to 16<sup>th</sup> June 2008

| Review Outline | Progress/Conclusions | STATUS |
|---|---|---|
| **Approvals and Monitoring processes : 8 audit days**<br><br>Assessment of the arrangements for managing and monitoring the performance of education providers including provider visits, data monitoring. The review specifically covered the controls in place to manage the high priority risk identified by the HPC- 7.3 Inability to manage education provider visits. | **Opinion – Satisfactory**<br><br>Our review indicated that clearly documented procedures and protocols are in place to inform employees, visitors and education providers of the processes established for ensuring continued compliance with the HPC's standards for education and training.<br><br>We noted that visitor training and recruitment was carefully scheduled and that the required checks over the various visitors' assessments were operating effectively to ensure that an accurate and robust conclusion was drawn. We understand that a new complaints procedure has now been approved and guidance for complainants about an approved programme will be published and implemented during 2008/09.<br><br>Our testing also indicated that the database systems underpinning the planning and management of the approvals and monitoring processes generated regular reports that were reviewed by management, enabling the HPC to schedule visits and monitoring processes effectively, to track each assessment and to highlight areas for action.<br><br>However, we understand that the biggest and most consistent piece of negative feedback arising from the HPC's survey of education providers in relation to the 2006/07 academic year was about the organisation's communication with education providers. We are advised that the HPC therefore plans to redesign the approval and monitoring database, so that the contact details of education providers can be recorded and used in a different format during 2008/09. | FINAL |

## Summary of the results of the audits undertaken to 16<sup>th</sup> June 2008 (cont.)

| Review Outline | Progress/Conclusions | STATUS |
|---|---|---|
| **Registrants' CPD implementation: 4 audit days**<br><br>Review of the planning and management controls to ensure that the new processes for registrants' CPD are in place and operational in accordance with the HPC's planned timetable. | **Opinion - Sound**<br><br>Our review has indicated that the HPC has adopted a thorough and methodical approach to checking that the paper processes and the IT systems that have been put into place to support the CPD assessment programme will deliver the required results.<br><br>However, only so much can be done to test the operation of new processes such as this using test data and mock exercises.  As the first assessments are undertaken, management recognises that some unforeseen outcomes may emerge that will need to be addressed immediately.  We understand that it is planned that the Project Team will continue to meet during the initial assessments to address these matters.<br><br>More significant issues may require process changes going forward. For this reason, in accordance with best practice, once the assessments of the first two professions have been completed, management plans to undertake a formal review of the effectiveness of the CPD assessment process drawing on any lessons learned. | FINAL |

## Summary of the results of the audits undertaken to 16<sup>th</sup> June 2008 (cont.)

| Review Outline | Progress/Conclusions | STATUS |
|---|---|---|
| **Financial systems : 10 audit days**<br><br>Review and testing of the controls over the main financial systems and follow up of agreed actions from the 2007/08 review.<br><br>This will cover the core areas of:<br>&bull;  Payroll;<br>&bull;  Budgetary control;<br>&bull;  Ledger management;<br>&bull;  Asset management;<br>&bull;  Income, including forecasting, billing, recovery and recognition;<br>&bull;  Purchasing and payments;<br>&bull;  Travel and subsistence; and<br>&bull;  Cash management including cash flow management, banking and reporting. | **Quarter Three Review** | Quarter 3 |

## Summary of the results of the audits undertaken to 16<sup>th</sup> June 2008 (cont.)

| Review Outline | Progress/Conclusions | STATUS |
| --- | --- | --- |
| **Follow up:  3 audit days**<br><br>Follow up of the extent that our previous recommendations have been implemented in full. Some examples of past reviews where recommendations have been raised include: communications, registration, fitness to practise, IT, governance and finance. | **Quarter Three Review** | Quarter 3 |
| **IT review – online applications and renewals projects: 6 audit days**<br><br>Assessment of arrangements for planning managing and delivering these projects within the agreed timescale and budget, whilst ensuring the IT risks in relation to data security and network integrity are effectively managed. | **Quarter Three Review** | Quarter 3 |

# Summary of the results of the audits undertaken to 16th June 2008 (cont.)

| Review Outline | Progress/Conclusions | STATUS |
|---|---|---|
| **Corporate Governance and Risk Management : 8 audit days**<br><br>Annual assessment of the corporate governance arrangements for the Health Professions Council.<br><br>This year's review will also focus upon the arrangements that are being put into place to manage the implementation of the new Health Care and Associated Professions Order.<br><br>The review will specifically cover the controls in place to manage the high priority risk- 4.10 Member recruitment problem (with the requisite skills) linked to likely changes in the composition of Council. | **Quarter Four Review** | Quarter 4 |