

**Health Professions Council  
Audit Committee 26 September 2006**

**Internal Audit Progress Report**

**Executive Summary and Recommendations**

**Introduction**

Mark Wonnacott of PKF has prepared the attached report which sets out progress on internal audit.

**Decision**

The Committee is asked to discuss the progress report.

**Background information**

At its meeting on 28 June, the Committee approved the Internal Audit Needs Assessment and Internal Audit Plan for 2006-7. (See paper AUD 43/06).

**Resource implications**

None.

**Financial implications**

None.

**Appendices**

Internal Audit Progress Report.

**Date of paper**

14 September 2006.

# Health Professions Council Internal Audit

Audit Committee Progress Report – 2006/07

*26<sup>th</sup> September 2006*



Accountants &  
business advisers

## Introduction

This report presents a summary of the progress on the 2006/07 internal audit and the results arising from the reviews.

## Overview of progress

The audit overall is progressing in accordance with the timetable presented to the Committee in June and no items have been re-timetabled.

The IT health check has been replaced with a review of the IT service level agreement and the value for money implications of the agreement at the request of management and the agreement of the Chief Executive.

Total Days for 2006/07 Audit 46 days

Days Completed To 14<sup>th</sup> September 16 days

## Implications for governance

There are no matters identified in the audits that we have carried out to date that indicate fundamental failings of internal control for the HPC. We are satisfied that the findings are being considered appropriately by management and that the actions agreed should address the issues.

Summary of the results of the audit to 14<sup>th</sup> September 2006: -

Review Outline	Progress/Conclusions	STATUS
<p><b>HR Follow Up : 3 days</b></p> <p>The review will follow up the HR report issued by the previous internal auditors BDO to ensure that the necessary improvements to the systems have been made.</p>	<p><b>Opinion – Satisfactory</b></p> <p>The previous review of Human Resources conducted by BDO Stoy Hayward concluded that the level of control over human resources was that <b>controls appear deficient</b>. There was a high number of recommendations were raised to improve overall control within this area.</p> <p>Our review established that all of the recommendations within this area had been addressed and we now note internal control in this area as <b>satisfactory</b>. HPC now has policies and procedures in place and these are being consistently applied throughout the organisation.</p> <p>A large amount of work has gone into implementing these systems and will ensure that the Human Resources department continues to help senior management actively manage the business.</p>	<p><b>FINAL</b></p>

Review Outline	Progress/Conclusions	STATUS
<p><b>Corporate Governance and Risk Management : 6 days</b></p> <p>Review of the corporate governance and risk management arrangements in place across the Health Professions Council. This will be based upon the Treasury Risk Assessment Framework, Audit Committee Handbook and the best practices contained in the Combined Code. In year one we will focus on the control environment and the risk management arrangements in place at the HPC.</p>	<p>Audit fieldwork was completed in the week beginning the 11<sup>th</sup> September 2006 and a draft report is expected to be issued shortly.</p>	<p>In Progress</p>
<p><b>IT Service Level Agreement – VFM review: 5 days</b></p> <p>The review will provide an assessment of the Service Level Agreement that is in place with contractors for the support and maintenance of the IT systems at the HPC. The review will examine the appropriateness of the arrangements that are in place and the value for money implications of the proposed arrangements.</p>	<p>Audit fieldwork was completed in the week beginning the 4<sup>th</sup> September 2006 and a draft report is expected to be issued shortly.</p>	<p>In Progress</p>

Review Outline	Progress/Conclusions	STATUS
<p><b>Financial Systems: 13 days</b></p> <p>Review and testing of the controls over the main financial systems. This will cover payroll, budgetary control, ledger management, asset management, income and debtors, purchasing and payments, travel and subsistence and cash, bank and treasury management. The review will also include a detailed follow up of the Management Controls report conducted by Baker Tilly to ensure that the necessary improvements to the systems have been made.</p>	<p>Audit fieldwork scheduled to take place in January 2007.</p>	<p>Quarter 4</p>
<p><b>Fitness to Practice: 6 days</b></p> <p>Review and testing of the controls within the Fitness to Practice function. This will cover the risk management arrangements, performance management arrangements and operational controls relating to fitness to practice cases.</p>	<p>Audit fieldwork scheduled to take place in January 2007.</p>	<p>Quarter 4</p>

Review Outline	Progress/Conclusions	STATUS
<p><b>New Building Project: 7 days</b></p> <p>The review will look at the effectiveness of the project management of the new building project. This will also cover the risk management arrangements, the budgetary control of the project and reporting against the project plans.</p>	<p>Audit fieldwork scheduled to take place in January 2007.</p>	<p>Quarter 4</p>