

Audit Committee 16 March 2011

Internal audit report – Review of previous recommendations

Executive summary and recommendations

Introduction

PKF has undertaken a review of recommendations from previous internal audit reports, in accordance with the internal audit plan agreed by the Committee in February 2010. The report is attached as an appendix to this paper.

Decision

The Committee is asked to discuss the report.

Background information

At its meeting in February 2010, the Committee approved the Internal Audit Plan for 2010-11.

Resource implications

None.

Financial implications

None.

Appendices

Internal audit report – review of recommendations.

Date of paper

4 March 2011.



Health Professions Council

Internal Audit Recommendations

Follow up 2010/11

Final February 2011

Confidential



Accountants &
business advisers

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1 Introduction and scope

- 1.1 In accordance with our 2010/11 internal audit programme that was agreed with management and the Audit Committee in February 2010, we have undertaken a review of the extent to which the Health Professions Council (“HPC”) has implemented our previously agreed recommendations.
- 1.2 The work was carried out primarily by holding discussions with relevant employees and management and undertaking compliance testing on a sample basis, where appropriate to evidence that the recommendations had been implemented. The audit fieldwork was undertaken in January 2011.
- 1.3 This report has been prepared as part of the internal audit of the HPC under the terms of our engagement letter for internal audit services. It has been prepared for the HPC and we neither accept nor assume any responsibility or duty of care to any third party in relation to it.
- 1.4 The conclusions and recommendations are based on the results of audit work carried out and are reported in good faith. However, our methodology is dependent upon explanations by managers and sample testing and management should satisfy itself of the validity of any recommendations before acting upon them.

2 Executive summary

2.1 This report summarises the work undertaken by PKF within the scope of our review of the extent to which the HPC has implemented our previously agreed recommendations. The work was performed as part of our agreed internal audit plan for 2010/11.

Background

2.2 In accordance with best practice a mechanism for formally following up our audit recommendations has been built into our internal audit strategic plan that was agreed by the HPC's Audit Committee. Over the course of the three year programme, this has taken the form of formal follow up reports.

2.3 This document covers the recommendations that we raised during 2009/10 that have not previously been reported to the Audit Committee as implemented and those recommendations from our work undertaken during 2010/11 that were scheduled to be completed by January 2011.

2.4 The key findings arising from our work are set out in the following paragraphs.

Our assessment

2.5 There were a total of seven recommendations raised by PKF during 2009/10 and 2010/11 that were scheduled to have been completed by January 2011. The recommendations raised related to following areas:

- Financial systems;
- Employee health & safety;
- Fitness to practise; and
- Human Resources management.

2.6 The improvements to the control framework that we suggested were aimed at sharpening the focus of well-established existing controls over the HPC's key systems.

2.7 We were pleased to note that most of the recommendations that we had raised have been implemented in full or are in progress. The recommendations in relation to Fitness to Practise have been implemented in full. None of the actions that remain outstanding for the other aspects of the HPC's operations relate to high priority recommendations.

2.8 The detailed results of our follow up work are set out in Sections 3 and 4 of this report.

2.9 Finally, we wish to thank all HPC employees for their availability, co-operation and assistance during the course of our review.

PKF (UK) LLP
February 2011

3 Follow up of PKF 2009/10 recommendations not previously reported

Recommendation	Responsible Officer	Action taken to date	Evidence to support action	Further action required
Financial systems				
<p>1. Management should begin to take the steps necessary towards removing the option for individuals to follow manual procedures when raising supplier purchase orders.</p> <p>Medium priority</p>	Director of Finance	<p>We understand that some key decisions regarding the HPC's financial systems have been taken during 2010/11, which have meant that the complete automation of purchase ordering has not been possible. It has been decided to align the necessary upgrade to the PRS system with a planned upgrade to the Sage financial system. This is scheduled to take place by September 2011.</p>	n/a	<p>Whilst we concur with this approach, we believe that it remains important that the HPC ultimately completes the establishment of a uniform process for purchase ordering and all purchase orders are then raised on the PRS system.</p> <p>Recommendation still needs to be implemented.</p>

Recommendation	Responsible Officer	Action taken to date	Evidence to support action	Further action required
Employee health and safety				
<p>2. Council should be provided with details of the number and type of health & safety incidents that have arisen at the HPC at least once annually.</p> <p>Low priority</p>	Facilities Manager	Recommendation not implemented.	n/a	Recommendation still needs to be implemented. A paper covering Health & Safety incidents on the Council agenda is being considered for the May 2011 meeting.
<p>3. The HPC should undertake a formal review of its health & safety risk assessments each year in order to meet HSE best practice.</p> <p>Medium priority</p>	Facilities Manager	The fire and building risk assessments have been completed.	Individual risk assessments.	None.

Recommendation	Responsible Officer	Action taken to date	Evidence to support action	Further action required
Fitness to practise				
<p>4. The HPC should consider whether it would be beneficial to specify the types of complaints where legal advice should always be sought by the Fitness to Practise (“FTP”) Department.</p> <p>High priority</p>	Director Fitness to Practise	Implemented.	Minutes of FTP Committee. A paper on sifting tools and allegations was presented to the FTP Committee dated 25 February 2010 that specified the need for legal advice in certain cases.	None.
<p>5. A report should be provided to the Fitness to Practise Committee explaining the reasons why the date set for a review of a supervision order fell after the date that the order expired. The report should also set out the actions that have already been taken by management to address this matter.</p> <p>High priority</p>	Director Fitness to Practise	Implemented.	Minutes of FTP Committee. A report was presented to the FTP Committee dated 25 February 2010.	None.

4 Follow up of PKF 2010/11 recommendations due by January 2011

Recommendation	Responsible Officer	Action taken to date	Evidence to support action taken	Further action required
Human resources management				
6. The risk register (for risk 11.1) should be amended to refer to departmental training rather than cross-departmental training. Low priority	Director of Human Resources	The risk register has been amended as specified.	Current version of the HPC's risk register	None.
7. The HPC's Human Resources ("HR") Strategy should be updated to reflect the organisation's current thinking on its human resources requirements, including skills and training needs. Medium priority	Director of Human Resources	Work on updating the HR strategy has been delayed due to additional work resulting from staffing implications of the transfer of regulatory functions from the General Social Care Council to the HPC.	N/a	Director of Human Resources to update the HR strategy by April/May 2011.