

Audit Committee, 21 November 2017

Internal audit – Review of recommendations

Executive summary and recommendations

At its meeting on 29 September 2011, the Committee agreed that it should receive a paper at each meeting, setting out progress on recommendations from internal audit reports.

Most of the information in the appendix is taken from the wording of the internal audit reports. The exception is the 'update' paragraph in the right-hand column, which provides details of progress.

Recommendations which have been implemented have been removed from this report. The original numbering of recommendations has been retained.

Decision

The Committee is requested to discuss the paper.

Background information

Please refer to individual internal audit reports for the background to recommendations.

Resource implications

None

Financial implications

None

Appendices

None

Date of paper

14 November 2017

Recommendations from internal audit reports

Recommendations summary

Review of five year plan model functionality and controls review (report dated November 2015 – considered at Audit Committee 26 November 2015)

This report was not presented in traditional observation/recommendation/management response format. Observations that did not have an associated recommendation and recommendations that have been implemented have not been reproduced. The following recommendations are still open.

	Recommendation	Priority	Management response	Timescale/ Responsibility
Fitness to practise section of the model				
	<p>We did not identify any major issues with inserting new data to reforecast the 5 year plan based on updated actuals. We do however recommend inserting a model version tracker as a way of assessing performance against the budget and long term forecasts. We note that it is not currently possible to change the forecast dates for FtP costs independently to other calculations and understand this functionality may be helpful. One approach would be to insert a flag to limit changes to forecast and actual periods to only the FTP sections of the model. However when implementing this we would recommend that this is clearly reported to users so they are aware of assumptions being used</p>	Low	<p>Noted, though to reforecast, the start and end date of the budget actuals would need to change, which impacts on registrant numbers calculated elsewhere.</p>	<p>Finance Director / Director of Fitness to Practise</p> <p>Update</p> <p>21/11/2017 – No change</p> <p>Previous updates</p> <p>05/09/2017 – Work on this was suspended when one of the key participants went on maternity leave and has not been taken further as other projects are currently higher priority.</p>
	<p>We have observed that the model can cannot currently be used for sensitivity analysis or as a resource /workflow planning tool. In the models current state the addition of monthly updates to enable resource planning and effective reforecasting would require a periodic freeze of the registrant assumptions. This would also drive the need for a reconciliation/ logic check between the frozen and updated registrant values. Implementing this would require an update of the model with sufficient testing to ensure a robust procedure for updating inputs and reconciling frozen values.</p>	Low	<p>Noted and agreed. We'd want to do this to assist with future budget planning and resource management, especially to monitor the impact of planned changes in FTP processes and structures.</p>	<p>14/06/2017 – Work still underway</p> <p>15/03/2017 – The work has started but is still underway</p> <p>22/11/2016 – This work has slipped and is now starting in November with the aim of completing by the end of the financial year.</p> <p>06/09/2016 – Finance and FTP are working together</p>

	Recommendation	Priority	Management response	Timescale/ Responsibility
				with the aim of integrating the FTP module of the 5 year plan with FTP's workforce planning and management information systems. These recommendations will be considered as part of that work, due to complete by November 2016.

Review of Whistleblowing arrangements (report dated August 2016 – considered at Audit Committee 6 September 2016)

Recommendations summary

Priority	Number of recommendations
High	None
Medium	2
Low	1

	Finding and Implication	Recommendation	Priority	Management response	Timescale/ Responsibility
1	<p>Since becoming a prescribed person in October 2014, the Council at its meeting in March 2015 considered the Francis Report on Freedom to Speak Up and made a number of commitments to be completed within agreed timescales. One of these was to continue work in 2015/16 on developing an organisation-wide process for identifying, recording and handling protected disclosures made to the HCPC as a prescribed person under PIDA. The Director of Policy and Standards informed us that management had recently published more detailed information on its website about making such disclosures (as part of an existing section for registrants on reporting and escalating concerns).</p> <p>An internal policy setting out what is means to be a prescribed person and what procedures need to be followed had not yet been produced, but is planned for autumn 2016. The Council should use the launch of this policy to promote the role of the HCPC as a prescribed person to managers and staff and to brief and/or train as appropriate those who might receive such disclosures. There may not be clarity within the</p>	The Council should ensure that a Prescribed Persons Policy is developed, approved and introduced within an agreed timescale and monitored. All employees, partners and Council and committee members should be made aware of the new policy so that the HCPC's role as a prescribed person is clear and understood.	Medium	Recent discussion with the Solicitor to Council has confirmed that we are compliant with the legal expectations placed on us as a prescribed person. We agree, however, that an internal policy which can be used to raise awareness across the organisation of our role as a prescribed person would be very helpful. A policy will be produced and agreed by the Executive Management Team in 2016, with progress reported in the Policy and Standards	<p>Director of Policy and Standards</p> <p>Update</p> <p>21/11/2017 – No change</p> <p>Previous updates</p> <p>14/06/2017 – Under development. This will now be informed by a meeting with other regulators to take place in July 2017</p>

	Finding and Implication	Recommendation	Priority	Management response	Timescale/ Responsibility
	HCPC in how to deal with disclosures to it as a prescribed person without a policy.			Directorate report to Council.	15/03/2017 - This work is now expected to be considered by the EMT in March 2017 22/11/2016 – This is underdevelopment and is due to be considered by the Executive Management Team in January 2017.

Review of Recruitment and Retention (report dated March 2017 – considered at Audit Committee 15 March 2017)

Recommendations summary

Priority	Number of recommendations
High	None
Medium	None
Low	3

	Finding and Implication	Recommendation	Priority	Management response	Timescale/ Responsibility
3	Existing recruitment procedural guidance is contained in a number of individual documents, these include: <ul style="list-style-type: none"> • Interview assessment guidance • Stages of the interview guidance • Process flowchart for recruitment 	The HR Business Partner should ensure that all recruitment procedural guidance is reviewed, up to date and maintained in a single place for ease of access.	Low	Recruitment Guidance will be reviewed and training delivered as part of our on-going 'HR Essentials' programme by March 2018	Director of Human Resources Update 21/11/2017 – This work is due to be

	Finding and Implication	Recommendation	Priority	Management response	Timescale/ Responsibility
	<p>A number of these documents were last reviewed/updated in December 2015. Training in the guidance was also last provided in December 2015. The recruiting managers that we interviewed during the review all stated that they would benefit from further training in the recruitment process.</p> <p>Failure to have procedural guidance in a single location, complemented with recent training, may lead to recruiting managers not comprehensively following the agreed process. This may lead to external challenge over the process.</p>	<p>Recruitment training should also be offered to all existing and new Recruitment Managers and recruitment panel members.</p>			<p>completed by march 2018</p> <p>Previous updates</p> <p>05/09/2017 – This work is due to be completed by march 2018</p> <p>14/06/2017 – this work is due to be completed by march 2018</p>