

**Health Professions Council
Audit Committee – 26th June 2007**

INTERNAL AUDIT REPORT – FOLLOW UP TO IT STRATEGY 2006

Executive Summary and Recommendations

Introduction

As part of the internal audit programme for 2006/7 PKF undertook a review of the IT Strategy & Management Effectiveness at HPC. This is the final part of the 2006/7 audit.

Decision

The Committee is asked to discuss the report.

Background information

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

Resource implications

None

Financial implications

None

Appendices

Date of paper

13 June 2007

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2007-06-14	a	ADT	PPR	Executive Summary IT Strategy internal audit report Audit Committee 26 June 2007	Final DD: None	Public RD: None



Accountants &
business advisers



IT Strategy & Management Effectiveness

May 2007

Final – Confidential

Assurance Level:

Satisfactory – Satisfactory design of internal control that addresses the main risks and is operating as intended but falls short of best practice.

Staff Interviewed – Roy Dunn

Audit Team – Mark Wonnacott

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1 Introduction

- 1.1 The purpose of the audit was to provide a high level assessment of the Health Professions Council's IT arrangements the strategic approach to IT. It follows on from the reviews of other aspects of IT reported to previous Audit Committees.
- 1.2 The review involved an assessment of the following areas :
- The effectiveness of the IT strategy and its link with the HPC strategy;
 - The effectiveness of the IT process flows established;
 - Control and Management of IT projects; and
 - Reliance on key individuals for IT delivery.
- 1.3 Our work was carried out primarily through discussions with all key staff within IT and reviewing the underlying processes and available supporting documentation. However, no compliance testing was performed. In addition we examined the following documents:
- IT Strategy for the period covering 2006 and 2011;
 - IT Governance Paper;
 - IT 2007 – 2008 Work Plan; and
 - HPC Strategic Intent Paper.
- 1.4 This report has been prepared as part of the internal audit of the Health Professions Council under the terms of the contract for internal audit services. It has been prepared for the Health Professions Council and we neither accept nor assume any responsibility or duty of care to any third party in relation to it. The conclusions and recommendations are based on the results of the audit work carried out and are reported in good faith. However, our methodology relies 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 The purpose of the executive summary is to highlight the main findings and conclusions from our review. The detailed findings are included in the following section of the report.

Overall Conclusion

- 2.2 Based on the review carried out we have concluded that the controls over the Strategic Approach to IT and the reliance on key individuals are Satisfactory.
- 2.3 There is an IT strategy in place and this links clearly to the deliver of the aims of the overall HPC strategy. The IT strategy deals with the activity and capability needed to support the business, the risks faced and the investment needed to meet these. It has been approved by the F & R Committee. In our view the strategy demonstrates a greater depth of thought and consideration than is typical for an organisation like the HPC. The IT strategy is developed into a practical tool for managing the function through the production of a detailed work plan. This is used to direct the IT activity.
- 2.4 The overall strategic approach is a matter for the judgement of HPC and any approach could be acceptable provided that it addresses the business needs. However, our review has noted that although the strategy seeks to explore leading edge technologies, it does so in a way that does not expose HPC to excessive risk of failure. However, as with any approach there are risks involved and one of the major ones for HPC is the choice of a relatively small provider for the key operational system, LISA. Whilst this probably does increase the likelihood of the system becoming unsupported, this is transparent and has been thought through properly.
- 2.5 We have reviewed the HPC's approach to the management and control of IT projects. The approach accords with normal IT project management practice and is applied for all major IT projects.
- 2.6 The IT team is of a similar size and structure to many organisations of a similar size and range of activity. This allocation of responsibility and range of skills should provide for effective process flows across the range of IT activities. A feature of the size of team is the need to place reliance on a few key individuals. However, the structure of the team is such that this reliance is managed to reduce the risk to an acceptable level.
- 2.7 Finally, we wish to thank all members of staff at the HPC for their availability, co-operation and assistance during the course of conducting our review

PKF (UK) LLP
May 2007

3 Detailed Findings

Strategic Approach to IT

Our assessment

- 3.1 We have reviewed the HPC's strategic approach to IT and have concluded that it is set out clearly, supports the overall HPC strategy and does not present undue risk. The IT strategy is supplemented each year by a detailed work plan and budget, which are approved by the appropriate committee, and provide a basis for managing IT activity. However, there remains a reliance on key service providers which we have highlighted in our review of the Service Level Agreements report.

Findings

- 3.2 An IT strategy for the period 2006 – 2011 has been prepared by the Director of Information Technology. The IT strategy sets out the objectives of the service and the work that will take place in each of the core functions within the HPC. It has been designed to:
- Build capacity into the business systems;
 - Investigate cutting and bleeding edge technologies; and
 - Support the regulation process with robust high availability technology.
- 3.3 The strategy also sets out the IT governance model and the methodology that will be used for ongoing IT projects.
- 3.4 The delivery of this strategy is supplemented each year by the production of an Information Technology Department work plan. The 2007–2008 work plan has the following IT objectives for 2007-2008:
- Objective 1 – Business as usual objectives include:
 - Operate within the IT budget;
 - Develop a workplan outlining the key activities within the year;
 - Update the Disaster Recovery plan format.
 - Objective 2 – New professions acquisition:
 - Develop the requirements and technology to allow HPC's IT department to import new profession contact details to the LISA registrations system without incurring additional costs from Digital Steps, unless the new profession has additional characteristics not currently used.
 - Objective 3 – Continuing professional development technology built within allocated budget:

- Deliver a collection of systems or functionalities to allow registration departments to track registrants through the CPD process. Delivery of basic systems by 31st March 2008.
 - Objective 4 – Professional qualifications directive 2005/36:
 - Deliver the appropriate technology solution based on recently published guidelines by October 2007.
- 3.5 The workplan also lists the major projects that will be carried out within the year and these include the CPD project, professional qualifications directive project, LISA access rights project and a finance system upgrade. The workplan the annual budget have been approved through the appropriate committee structure.
- 3.6 A process has been developed for managing IT projects. This accords with normal IT project management practice and is applied for all IT projects. Reports are prepared for the Executive Management Team on progress and issues on a weekly basis.
- 3.7 The main business system application is LISA. This is a registration system and contains sensitive personal information about the medical practitioners. LISA is a three year old bespoke system and it was developed Digital Steps Limited (DSL). The LISA application runs on an Oracle database. This is the main critical business system for the HPC. We reviewed the management of this outsourced service as part of the SLA review earlier in the year. The contract with Digital Steps Limited has been renegotiated over the last year. There is a reliance on DSL as they developed the system as well as providing the ongoing support to the system. This aspect of the relationship was identified during the renegotiation of the SLA.

Control and Management of IT Projects

Our assessment

- 3.8 We have reviewed the HPC's approach to the management and control of IT projects. The approach accords with normal IT project management practice and is applied for all IT projects.

Findings

- 3.9 A process has been developed for managing IT projects. This has been documented in detail within the IT Strategy. The approach ensures that each project includes a project brief which outlines the projects and includes a description of requirements, the approximate cost and the project sponsor information. The project also requires a Project Initiation Document (PID) for projects with an expected cost of over £5,000. Flow charts have been produced to assist with the project management process.

- 3.10 This accords with normal IT project management practice and is applied for all IT projects. Reports are prepared for the Executive Management Team on progress and issues on a weekly basis.

Managing Tasks and Reliance on Key Individuals

Our assessment

- 3.11 The structure and size of the IT function is typical for organisations of the size and range of IT activity of HPC and this provides an appropriate structure for managing the function. However, we have concluded that there is significant reliance on key individuals within the IT department to make the function effective, the loss of any of which could be disruptive. This is common for functions of a similar size. However, the structure of the team is such that this reliance is managed to reduce the risk to an acceptable level for an organisation the size of the HPC with the loss of one key individual.

Findings

- 3.12 HPC has a small in house IT department headed by the Director of Information Technology (IT). The Director IT is responsible for the overall management of the IT team and the hardware, software and data resources used by the HPC in its day to day operation. This role also involves managing the relationship and delivery of services with the key suppliers that provide services to the HPC – Star for Web Hosting and Digital Steps Limited for the LISA system.
- 3.13 The Director of IT has a team of three which is as follows:
- Back Office Systems Administrator – responsible for maintaining and developing the Lotus Notes environment, covering e-mail, Fitness to Practise systems, Freedom of Information and other HPC wide databases. This role also includes project work;
 - Network and Desktop Support – responsible for maintaining the desktop base that each user requires for their day to day work, the servers and backups configuration, and the day to day LISA support tickets. This role also includes LISA related project work and bespoke database work; and
 - Systems Support Analyst – responsible for servicing many of the Helpdesk tickets, building new machines and installing software.
- 3.14 The Director of IT role also includes managing this team and involves having an overview of each of these areas. The notice periods for each member of the IT team are as follows:
- Director of IT – three months;
 - Back Office Systems Administrator – one month;

- Network and Desktop Support – contractor employed; and
- Systems Support Analyst – one month.

3.15 The Director of IT role is key within the IT team due to his knowledge of the systems and understanding of the services provided and relationship with the key IT service providers. This reliance is mitigated by a three month notice period which would allow sufficient time to hand over this knowledge to a replacement. In addition given the small size of the IT team each member is important to the delivery of the IT services. However, the Director of IT has an overview of each role and this ensures that the service delivery would suffer minimum disruption if a change in staffing occurred.

3.16 The other member of HPC that is key in relation to the delivery of IT services is the HPC Project Manager, who manages the various IT projects that are being implemented at the organisation. Each of the IT projects that are in place is managed in accordance with the new project process that has been implemented and reports to the Executive Management Team on a weekly basis.

4 Assurance Definitions

Assurance Level	Definition
Sound	<i>Satisfactory design of internal control that addresses risk and meets best practice and is operating as intended.</i>
Satisfactory	<i>Satisfactory design of internal control that addresses the main risks and is operating as intended but falls short of best practice.</i>
Satisfactory in Most Respects	<i>Generally satisfactory design of internal control that addresses the main risks and is operating as intended but either has control weaknesses or is not operating fully in some significant respect.</i>
Satisfactory Except For.....	<i>Satisfactory design of internal control that addresses the main risks and is operating as intended in most respects but with a major failure in design or operation in the specified area.</i>
Inadequate	<i>Major flaws in design of internal control or significant non operation of controls that leaves significant exposure to risk.</i>