

Audit Committee 25th September 2007

Fitness to Practise PKF Audit

Executive summary and recommendations

Introduction

As part of its Audit schedule for 2007/2008, PKF undertook a review of APU(the Fitness to Practise database). That report is attached.

Decision

The Committee is asked to discuss the report.

Background information

None

Resource implications

None

Financial implications

None

Appendices

PKF Audit report

Date of paper

12th September 2007

Fitness to Practise – Follow up Review

August 2007

Final - Confidential

Assurance Level: Satisfactory

Staff Interviewed: Director of Fitness to Practise, Kelly Johnson, Fitness to Practise Manager, Eve Seall

Audit Team: Director, Jon Dee



Accountants &
business advisers

Contents

1	Introduction.....	1
2	Executive Summary.....	2
3	Detailed Findings.....	5
4	Action Plan	9
5	Assurance Definitions.....	10

Project timescales

Date project commenced	06/07/07
Date field work completed	29/08/07
Date draft report issued	29/08/07
Date management comments received	30/08/07
Date final report issued	30/08/07

1 Introduction

1.1 In accordance with the 2007/2008 internal programme for the Health Professions Council (“HPC”) that was agreed with the Audit Committee in March 2007, we have undertaken a follow up review of the audit recommendation raised in our 2006/07 report on Fitness to Practise. We also reviewed the arrangements for the management of the implementation of the new Fitness to Practise database, APU.

Scope of our work

1.2 As specified in our audit programme the aim of this project was to provide assurance to the HPC that the action agreed by the department regarding risk management had been undertaken. The review also sought to provide assurance in relation to the management of the APU implementation and, in particular, included testing of the accuracy of data included in the monitoring reports.

1.3 The work was carried out primarily by holding discussions with relevant staff and management, reviewing any available documentation and undertaking detailed testing on a sample basis to determine whether data had been accurately transferred and whether controls were operating effectively. The audit fieldwork was completed in July and August 2007.

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.

1.5 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 agreed scope of our follow up review of risk management within the Fitness to Practise Department and management controls over the APU database implementation. The work was performed as part of our agreed internal audit plan for 2007/08.

Background

- 2.2 Prior to the implementation of the new APU database, casework reporting was undertaken using a series of access databases. The APU database was introduced recently. As a result, the Audit Committee requested assurance from our work that the migration of data was subject to appropriate management control.
- 2.3 Following our previous report on Fitness to Practise (February 2007) management agreed to incorporate risk management within the departmental work plan for 2007/08 in accordance with best practice. As part of this project we were requested to assess whether this had been completed and our recommendation had been addressed.

Our assessment

- 2.4 Based on the audit work carried out we concluded that the HPC's arrangements for managing the APU implementation were **satisfactory**. At the time of our audit visit in July 2007 we noted that the migration had been completed and the APU system was being used to provide management reports for the HPC's various committees.
- 2.5 Our sample testing indicated that the data recorded on the APU database had been accurately transferred from the databases that were previously in operation. However, we believe controls need to be strengthened in order to meet best practice in relation to data quality assurance and we therefore raised a recommendation in relation to this matter.
- 2.6 We were also pleased to note that the recommendation in relation to risk management raised in our previous report on Fitness to Practise had been implemented.

Principal findings

APU Implementation

- 2.7 The implementation process involved the migration of data that had been previously stored in access databases to the APU system, which is a Lotus Notes database. To control this process and to ensure that the data was completely and accurately transferred, we are advised that the HPC's IT Team performed the migration exercise, which was overseen by the IT Manager and the Director of Fitness to Practise.

- 2.8 The data was transferred on a staged basis to ensure that the migration could be appropriately controlled and the data cleansed and any anomalies addressed by staff within the Fitness to Practise Department.
- 2.9 During this process, we understand that the APU system was run in parallel with the previous access databases and reports were run each month from both systems to enable the outputs from the new system to be checked. We concur with this approach.
- 2.10 Our sample testing of 10 items selected from the APU reports also indicated that the data reported was consistent with the data recorded in the reports previously produced during 2006/07 using the access databases. The access databases have now been archived but remain available for reference purposes.
- 2.11 As part of our audit work we also undertook detailed compliance testing to assess the integrity of the current monthly management reports prepared from the new database to check that the data contained therein was accurately derived from the individual fields within the database and was therefore supported by a genuine data record. For all of the items selected, we were able to confirm that this was the case.
- 2.12 Based on our experience, where a database is central to an organisation's operational activities it is best practice for management to establish a systematic and formal quality assurance check on the data recorded. We therefore discussed this matter in detail with management within the Fitness to Practise Department. As a result, management agreed to undertake a sample of quality checks on a sample of cases that are currently under consideration.
- 2.13 At the time of this report (August 2007) this review was still in progress, although it is scheduled to be completed shortly. We therefore suggest that the findings should be considered by the next meeting of the Conduct and Competence Committee and we therefore raised a recommendation in relation to this area.

Follow up of our previous recommendation

- 2.14 We were pleased to note that the Fitness to Practise work plan now includes a specific objective on risk management. The work plan summarises the key areas of risk (as noted above) and describes the main measures and steps that the department plans to take to mitigate these risks.
- 2.15 During the course of our work, we noted that the HPC is currently considering the appropriateness of its governance structures in relation to this area, including risk reporting. From our discussions with the Chair of the Audit Committee, we understand that there may be some overlap in relation to the workload of the 3 committees that consider Fitness to Practise matters.

- 2.16 There is also a possibility that the various committees may not have a clear understanding as to which of the strategic risks fall under their terms of reference- which may result in committees considering matters that are better discussed elsewhere or not considering in sufficient detail those risks for which they are responsible. Since members are already considering the current committee structure of the HPC we have not raised a recommendation in relation to this area. However, we would be delighted to assist in the review process if the HPC requires.
- 2.17 Finally, the White Paper "*Trust, Assurance and Safety – The Regulation of Health Professionals in the 21st Century*", may provide the HPC with opportunities which may result in an increase in the casework undertaken by the Fitness to Practise Department. Although these opportunities need to be worked through and their impact evaluated the HPC needs to ensure that its casework systems are able to accommodate such changes.
- 2.18 From our discussions with management we noted that this matter has been considered and it is believed that the APU database has sufficient additional capacity to accommodate an increased volume of data should this be necessary. However, until the specific details of the processes required to exploit any new activity are known, it cannot be known for certain whether the APU database will indeed be fit for this purpose.
- 2.19 We will of course present the Audit Committee with our proposals for providing support to the HPC regarding this matter, once the impact of the White Paper upon the organisation is clearer.
- 2.20 Finally, we wish to thank all members of staff for their availability, co-operation and assistance during the course of our review.

PKF (UK) LLP
August 2007

3 Detailed Findings

APU Implementation and data quality

- 3.1 APU was designed to facilitate operating forecasting, case allocation, case tracking and reporting. At the time of our last review of this area in February 2007, the Fitness to Practise Department were working with the HPC's IT Team to complete the reports that are required from the system and the input of historical data. It was then planned that the current database would be switched off and the APU system used thereafter. At the time of our audit visit in July 2007 we noted that the migration had been completed and the APU system was being used to provide management reports for the HPC's various committees.
- 3.2 The implementation process involved the migration of data that had been previously stored in access databases to the APU system, which is a Lotus Notes database. To control this process and to ensure that the data was completely and accurately transferred, we are advised that the HPC's IT Team performed the migration exercise, which was overseen by the IT Manager and the Director of Fitness to Practise. The data was transferred on a staged basis to ensure that the migration could be appropriately controlled and the data cleansed and any anomalies addressed by the Fitness to Practise Department.
- 3.3 During this process, we understand that the APU system was run in parallel with the previous access databases and reports were run each month from both systems to enable the outputs from the new system to be checked. We concur with this approach.
- 3.4 As part of this project we also reviewed a sample of the management reports that had been produced to date from the APU system. We were pleased to note that these reports contained data in the format specified by management.
- 3.5 Our sample testing of 10 items selected from the APU reports also indicated that that the data reported was consistent with the data recorded in the reports previously produced during 2006/07 using the access databases.
- 3.6 As part of our audit work we also undertook detailed compliance testing to assess the integrity of the current monthly management reports prepared from the new database. Our approach was as follows.
- 3.7 Of the 14 management reports prepared for June 2007, we selected 10 reports for review. From each of these reports we selected 1 item of numerical data (e.g. the total number of occupational therapists who received sanctions after final hearings) and checked that this number was accurately derived from the individual fields within the database and was therefore supported by a genuine data record.

- 3.8 For all of the items selected, we were able to confirm that this was the case.
- 3.9 The Audit Committee will recall that we previously performed detailed testing on a sample of casework files as part of our previous review of the Fitness to Practise Department. The findings of this work were reported to the Audit Committee in March 2007 and no significant concerns were raised.
- 3.10 For this reason we did not include a further review of the casework files as part of this follow up project.
- 3.11 However, during the course of our work we discussed the arrangements in place within the Fitness to Practise Department for confirming that the data recorded on the APU system reflected the current status of individual cases as documented in the casework files.
- 3.12 We were advised that quality checks on the data recorded are undertaken on a daily basis through the line management of individuals within the department and the active involvement of managers and the director in the casework management processes. This enables files and the database to be amended should anomalies be identified.
- 3.13 Based on our experience, where a database is central to an organisation's operational activities it is best practice for management to establish a more systematic and formal quality assurance check on the data recorded.
- 3.14 Typically, such data is subject to such a review at least once a year, which enables the level and nature of anomalies inherent in the database to be identified and procedures amended or staff training introduced accordingly.
- 3.15 This also provides the Executive and the Audit Committee with additional comfort regarding the quality of the data reported to the organisation's various committees and stakeholders.
- 3.16 For this reason we discussed this matter in detail with management within the Fitness to Practise Department. As a result, management agreed to undertake a sample of quality checks on a sample of cases that are currently under consideration.
- 3.17 At the time of this report (August 2007) this review was still in progress, although it is scheduled to be completed shortly. We therefore suggest that the findings are considered by the next meeting of the Conduct and Competence Committee and have therefore raised the following recommendation.

Recommendation

R1. The findings of the ongoing quality assurance check of the APU database and casework files should be reported to the next meeting of the Conduct and Competence Committee. The HPC should also undertake a similar annual review of the data in the future.

Follow up of our previous recommendation

3.18 Following our previous report on Fitness to Practise in February 2007 management agreed to incorporate departmental risks in the work plan for 2007/08 in accordance with best practice. This was to be undertaken by April 2007. The aim of this work is to ensure that risk management becomes embedded in departmental management still further. The risks associated with the departmental work have already been identified and are included in the HPC's overall strategic risk register, which has been reviewed and approved by Council.

3.19 These are as follows:

- Legal cost over-runs;
- Legal challenge to HPC operations;
- Tribunal exceptional costs, Fitness to Practise, Registrations and Continuing Professional Development Appeals;
- Rapid increase in the number of tribunals and resultant legal costs;
- Witness non-attendance;
- Employee/Partner physical assault by Hearing attendees; and
- Registration Appeals.

3.20 We were pleased to note that the Fitness to Practise work plan now includes a specific objective on risk management. The work plan summarises the key areas of risk (as noted above) and describes the main measures and steps that the department plans to take to mitigate these risks. The following are highlighted:

- Service level agreements with key suppliers of legal services; and
- Cost per case reporting.

3.21 Other management actions included in the work plan to address the risks identified include reviews of current processes and procedures for:

- Casework handling and decision making;
- Witness support;
- Registration appeals;
- Prosecutions; and
- Health and character declarations.

- 3.22 Based on our review, we have therefore concluded that the Fitness to Practise work plan includes the departmental risks as we recommended and the planned actions include steps to enhance risk management arrangements in relation to the strategic risks for Fitness to Practise identified by the HPC.
- 3.23 During the course of our work, we noted that the HPC is currently considering the appropriateness of its governance structures in relation to this area, including risk reporting. From our discussions with the Chair of the Audit Committee, we understand that there may be some overlap in relation to the workload of the 3 committees that consider Fitness to Practise matters. For example, the Fitness to Practise work plan needed to be approved by the Conduct and Competence Committee, the Health Committee and the Investigating Committee.
- 3.24 There is also a possibility that the various committees may not have a clear understanding as to which of the strategic risks fall under their terms of reference- which may result in committees considering matters that are better discussed elsewhere or not considering in sufficient detail those risks for which they are responsible.
- 3.25 Since members are already considering the current committee structure of the HPC we have not raised a recommendation in relation to this area. However, we would be delighted to assist in the review process if the HPC requires.
- 3.26 Finally, the White Paper "*Trust, Assurance and Safety – The Regulation of Health Professionals in the 21st Century*", may provide the HPC with opportunities which may result in an increase in the casework undertaken by the Fitness to Practise Department. Although these opportunities need to be worked through and their impact evaluated the HPC needs to ensure that its casework systems are able to accommodate such changes.
- 3.27 From our discussions with management we noted that this matter has been considered and it is believed that the APU database has sufficient additional capacity to accommodate an increased volume of data should this be necessary.
- 3.28 We are also advised by management that the system is also highly adaptable and should therefore be able to maintain a record of casework for different professions. However, until the specific details of the processes required to exploit any new activity are known, it cannot be known for certain whether the APU database will indeed be fit for this purpose.
- 3.29 We will of course present the Audit Committee with our proposals for providing support to the HPC regarding this matter, once the impact of the White Paper upon the organisation is clearer.

4 Action Plan

Ref.	Findings	Recommendations	Priority	Management Response <i>Responsible Officer</i>	Due Date
R1	<p>APU implementation</p> <p>Based on our experience, where a database is central to an organisation's operational activities it is best practice for management to establish a more systematic and formal quality assurance check on the data recorded. For this reason we discussed this matter in detail with management within the Fitness to Practise Department. As a result, management agreed to undertake a sample of quality checks on a sample of cases that are currently under consideration. At the time of this report (August 2007) this review was still in progress, although it is scheduled to be completed shortly.</p>	<p>The findings of the ongoing quality assurance check of the APU database and casework files should be reported to the next meeting of the Conduct and Competence Committee. The HPC should undertake a similar annual review of the data in the future.</p>	Medium	<p>Agreed. This matter will be considered by the next available meeting of the committee.</p> <p><i>Director of Fitness to Practise</i></p>	October 2007

5 Assurance Definitions

Assurance Level	Definition
Sound	Satisfactory design of internal control that addresses risk and meets best practice and is operating as intended.
Satisfactory	Satisfactory design of internal control that addresses the main risks but falls short of best practice and is operating as intended.
Satisfactory in Most Respects	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.
Satisfactory Except For.....	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.
Inadequate	Major flaws in design of internal control or significant non operation of controls that leaves significant exposure to risk.