

Audit Committee 16 March 2011

Mazars Audit Plan 2011/12

Executive summary and recommendations

Introduction

The internal audit plan is provided to the committee for its consideration.

Decision

The Committee requested to discuss and approve the Internal Audit Plan for 2011/12 and provide guidance on the audit programme, as appropriate.

Background information

Mazars were appointed HPC's internal auditors in 2010. A member of Mazars management team has held initial individual interviews with the EMT to understand the main issues for the organisation. From this Mazars have prepared the draft audit programme.

Resource implications

None.

Financial implications

Internal Audit Fee for 2011/12 is expected to be approximately £19,000 plus VAT.

Appendices

Appendix One – Mazars Audit Plan 2011/12

Date of paper

8 March 2011.



DRAFT Internal Audit Strategy

For the three years ending 31
July 2014

Report to the Audit Committee –
16 March 2011

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This report has been prepared for the Health Professions Council. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to the advice and information contained herein.

1. Introduction

Following a competitive tender exercise, Mazars LLP were appointed as internal auditors to the Health Professions Council (HPC) from the 1 April 2011.

The purpose of this document is to provide details of an Audit Strategy for the period 2011/12 to 2013/14 for consideration by the Audit Committee. This Strategy will be subject to review on at least an annual basis to ensure it meets the needs of HPC including taking account of any areas of new and emerging risk, etc.

2. The role of Internal Audit

Government Accounting standards requires Accounting Officers to make provision for internal audit in accordance with Government Internal Audit Standards (GIAS). Within HPC, the Chief Executive and Registrar is the Accounting Officer and has responsibility for maintaining a sound system of internal control.

The purpose of internal audit is to provide the Council, through the Audit Committee, and the Chief Executive and Registrar (as Accounting Officer) with an independent and objective opinion on risk management, control and governance and their effectiveness in achieving HPC's agreed objectives.

This opinion forms part of the framework of assurances that is received by HPC and should be used to help inform the annual Statement on Corporate Governance and Internal Control. Internal Audit also has an independent and objective consultancy role to help line managers improve risk management, governance and control.

Our professional responsibilities as internal auditors are set out within GIAS which have also been aligned with the Institute of Internal Auditors Professional Standards.

3. The Internal Audit Strategy and Audit Needs Assessment (ANA) Process

Purpose

The ANA process is used to direct internal audit resources to those aspects of HPC that are assessed as generating the greatest risk to the achievement of its objectives. The output from the ANA is the Internal Audit Strategy (the Strategy).

The ANA Process

In order to understand the issues and risks facing HPC and determine the audit need, we have undertaken the following:

- Confirmed the core objectives of HPC and the key risks associated with the achievement of those objectives through discussion with a number of HPC representatives including:-
 - Chief Executive and Registrar;
 - Director of Communications;
 - Director of Human Resources;
 - Director of Finance;

- Director of Information Technology;
 - Director of Policy and Standards;
 - Director of Fitness to Practise (FTP);
 - Director of Operations;
 - Director of Education;
 - Secretary to Council; and
 - Chair of the Audit Committee.
- Reviewed key documentation including HPC's risk register and associated documentation and identified, from the risk register and analysis, the priorities afforded to the risks by the College;
 - Identified the sources of assurance available to HPC and the controls in place to mitigate the key risks. In particular, ISO Audits undertaken internally by the BPI Team as well as external quality audits by BSI, reviews of HPC in general and sample of FTP cases each year by the Council for Healthcare Regulatory Excellence (CHRE), other departmental internal quality assurance mechanisms and seeking/obtaining professional advice such as lawyers, IT Specialists, etc. We then considered areas where internal audit coverage would be of benefit and add value
 - Reviewed the previous internal auditors' plans, findings and recommendations and used our knowledge and experience to identify areas that would benefit from internal audit coverage.
 - Considered/identified areas of coverage, having undertaken the ANA, that do not appear as high priority risks, but where internal audit coverage can provide a tangible input to assurance, for example:
 - Work required in order to enable the external auditors, the National Audit Office (NAO), to place reliance on internal audit work on core financial systems;
 - Areas of concern flagged by management or the Audit Committee;
 - Emerging issues; and
 - Need for ongoing assurance in relation to key aspects of internal control.

Prioritisation of coverage and resources

The prioritisation of reviews and resources within the Strategy depends upon:

- The priority for each area of coverage for internal audit, in terms of levels of risk to HPC;
- When the last audit of the area was undertaken and the outcome;
- When the risk to be considered is likely to impact upon HPC;
- Whether there are management concerns about the area; and
- Whether or not there have been significant systems, staff or organisational changes since the last audit.

In the course of the three year period covered by the Strategy, the priority and frequency of assignments will be subject to ongoing review, in order to recognise changes in the risk profile and/or systems. These will be identified through regular liaison with the senior management of HPC.

We will update the Strategy as part of the annual planning process to determine the annual operational plan (the plan) for the forthcoming year. This will be discussed with senior management and an updated Strategy and plan presented to the Audit Committee for consideration and approval.

Our professional judgement is applied in assessing the level of resource required by the audits identified in the strategic cycle. This includes consideration of the complexity of the system, volume and frequency of transactions, sources of assurance and the audit approach to the area under review.

4. Strategic Audit Plan 2011/12 to 2013/14

The draft Strategy is attached at Appendix A. It is made up of two sub-sections:

- Risk based considerations – based on the assessment of risks from the HPC risk register (version 23 September 2010), specifically those risks where the gross risk is assessed as medium and high; and
- Other considerations – for example, work required by external regulators; emerging issues; aspects of key controls that are not included elsewhere.

Appendix B contains the operational audit plan 2011/12 and includes the proposed scope and timescales for reporting for areas identified as a priority in this period within the Strategy.

Appendix C outlines the audit approach we will adopt for each type of audit or review and Appendix D provides an overview of our typical audit approach for individual assignments.

**Mazars LLP
March 2011**

Appendix A - Three Year Strategic Audit Plan

Risk Based Considerations (Based on Risk Register - 23 September 2010)

Risk Ref	Risk Description	Auditable Area	Justification	Audit Year (Days)		
				2011/12	2012/13	2013/14
1.6	Failure to abide by current Equality & Diversity legislation	Equality and Diversity	<ul style="list-style-type: none"> Gross risk score of 8 / Medium risk. E&D Scheme and Working Group in place. E&D processes monitored within internal quality audits. Not previously subject to specific internal audit coverage. 	-	-	-
2.1	Inability to occupy premises or use interior equipment	Disaster Recovery /Business Continuity Planning	<ul style="list-style-type: none"> Gross risk score of 8 / Medium risk. Annual tests conducted, including offsite at third party facility (3 days in 2010/11). Previous Internal Audit review of BCP in 2010/11, 'Sound to date' opinion provided. 	<i>Subject to follow up review.</i>	-	4
2.4	Inability to communicate via postal services (e.g. Postal strikes)		<ul style="list-style-type: none"> Gross risk score of 16 / Red risk. 			
2.5	Public transport disruption leading to inability to use Park House		<ul style="list-style-type: none"> Gross risk score of 20 / Red risk. 			
2.6	Inability to accommodate HPC Employees		<ul style="list-style-type: none"> Gross risk score of 12 / Red risk. 			
2.7	Interruption to electricity supply		<ul style="list-style-type: none"> Gross risk score of 16 / Red risk. 			
2.10	Telephone system failure causing protracted service outage		<ul style="list-style-type: none"> Gross risk score of 12 / Red risk. 			
2.11	Basement flooding		<ul style="list-style-type: none"> Gross risk score of 16 / Red risk. 			
5.4	Failure of IT Continuity Provision		<ul style="list-style-type: none"> Gross risk score of 12 / Red risk. 			
15.2	Financial distress of trade suppliers causes loss of service		<ul style="list-style-type: none"> Gross risk score of 16 / Red risk. 			
3.2	Loss of support from Key Stake holders including professional bodies, employers or government		Stakeholder Communications			

Risk Ref	Risk Description	Auditable Area	Justification	Audit Year (Days)		
				2011/12	2012/13	2013/14
4.2	Council members conflict of interest	Corporate Governance	<ul style="list-style-type: none"> Gross risk score of 16 / Red risk. Governance administration and support to Council etc by Secretariat. Joint review with Risk Management undertaken each year by previous Internal Auditors. Most recently Q4 2010/11. In order to add value to the organisation, we will adapt our approach each year. For instance, a review of overall framework in 201/12. # In years 2 and 3 to be undertaken as combined exercise with Corporate Governance for ease of reporting. 	4	2#	2#
4.4	Failure to meet Council/Committee quorums		<ul style="list-style-type: none"> Gross risk score of 12 / Red risk. 			
4.8	Improper financial incentives offered to Council members/employees		<ul style="list-style-type: none"> Gross risk score of 8 / Medium risk. 			
4.9	Failure to insure the Health & Safety of Council Members		<ul style="list-style-type: none"> Gross risk score of 8 / Medium risk. 			
4,10	Member recruitment problem (with the requisite skills)		<ul style="list-style-type: none"> Gross risk score of 8 / Medium risk. 			
4.11	Expense claim abuse by members		<ul style="list-style-type: none"> Gross risk score of 8 / Medium risk. 			
4.12	Operationalise Section 60 legislation		<ul style="list-style-type: none"> Gross risk score of 10 / Medium risk. 			
5.1	Software Virus damage		ICT - Security			
5.3	IT fraud or error	<ul style="list-style-type: none"> Gross risk score of 9 / Medium risk. 				
5.5	Malicious damage from unauthorised access	<ul style="list-style-type: none"> Gross risk score of 8 / Medium risk. 				

Risk Ref	Risk Description	Auditable Area	Justification	Audit Year (Days)		
				2011/12	2012/13	2013/14
6.1	Inability to recruit/and or retain suitable Partners	Partners	<ul style="list-style-type: none"> Gross risk score of 16 / Red risk. Impact on a number of areas of HPC operations, roles and responsibilities shared across departments. Significant recruitment exercise planned in respect of GSCC transfer. Not previously subject to detailed internal audit review. 	6	<i>Subject to follow up</i>	-
6.2	Incorrect interpretation of law and/or SI's resulting in CHRE review		<ul style="list-style-type: none"> Gross risk score of 10 / Medium risk. 			
6.3	Health & Safety of Partners		<ul style="list-style-type: none"> Gross risk score of 8 / Medium risk. 			
6.4	Partners poor performance		<ul style="list-style-type: none"> Gross risk score of 16 / Red risk. 			
6.5	Incorrect interpretation of HPO in use of Partners		<ul style="list-style-type: none"> Gross risk score of 6 / Medium risk. 			
7.1	Failure to detect low education providers standards	Education – Approvals and Monitoring processes	<ul style="list-style-type: none"> Gross risk score of 8 / Medium risk. Currently approx. 650 approved programmes. Last subject to review by Previous Internal Auditors in 2008/09. 	-	5	<i>Subject to follow up</i>
7.3	Inability to conduct visits and monitoring tasks		<ul style="list-style-type: none"> Gross risk score of 8 / Medium risk. 			
7.5	Education database failure	ICT – Backup and recovery processes	<ul style="list-style-type: none"> Gross risk score of 6 / Medium risk. Previous Internal Audit review of BCP in 2010/11, 'Sound to date' opinion provided. 	<i>Subject to follow up</i>	-	-
10.2	Protracted service outage following a NetRegulate Registration system failure		<ul style="list-style-type: none"> Gross risk score of 15 / Red risk. 			
2.2	Rapid increase in registrant numbers.	Project Management	<ul style="list-style-type: none"> Gross risk score of 15 / Red risk. Projects team manage major projects within HPC. Specific project to be audited to be determined in conjunction with Audit Committee and Executive. 	6	5	5

Risk Ref	Risk Description	Auditable Area	Justification	Audit Year (Days)		
				2011/12	2012/13	2013/14
8.1	Fee change processes not operational by April 2011	See Project Management above.	<ul style="list-style-type: none"> Gross risk score of 9 / Medium risk. 	See Project Management above.		
8.8	Failure to deliver the requirements of the Vetting and Barring Scheme		<ul style="list-style-type: none"> Gross risk score of 10 / Medium risk. 			
8.9	Failure to deliver a strategic view of FTP Case Management		<ul style="list-style-type: none"> Gross risk score of 9 / Medium risk. 			
8.11	Failure to successfully open the Counsellors and Psychotherapist register		<ul style="list-style-type: none"> Gross risk score of 15 / Red risk 			
8.12	Failure to successfully open the Social Worker register		<ul style="list-style-type: none"> Gross risk score of 15 / Red risk. Previous internal auditors undertook review of implementation of GSCC Project 2010/11. 			
15.3	Major Project Cost Over-runs		<ul style="list-style-type: none"> Gross risk score of 8 / Medium risk. 			
9.1	Loss of ISO 9001:2008 Certification	Quality Assurance Processes	<ul style="list-style-type: none"> Gross risk score of 12 / Red risk. External validation visits of ISO 9001:2008 by BSI twice yearly. Most recently, June and November 2010 and certification retained. BPI team conduct audits across HPC on monthly basis including coverage of Departments, risk based audits, across company audits and Supplier audits. 	-	-	-
10.1	Customer service failures	Registrations	<ul style="list-style-type: none"> Gross risk score of 25 / Red risk. Internal quality assurance processes. Registration procedures reviewed by Previous Internal Auditors in 2007/08. 	-	5	Subject to follow up.
10.4	Backlogs of registration and GP AppIns		<ul style="list-style-type: none"> Gross risk score of 12 / Red risk. 			
10.3	Inability to detect fraudulent applications		<ul style="list-style-type: none"> Gross risk score of 10 / Medium risk. 			
10.5	Mistake in the Registration process leading to liability for compensation to Registrant or	See Registrations above.	<ul style="list-style-type: none"> Gross risk score of 10 / Medium risk. 	See Registrations above.		

Risk Ref	Risk Description	Auditable Area	Justification	Audit Year (Days)		
				2011/12	2012/13	2013/14
	Applicant					
11.1	Loss of key HPC employees	HR – Recruitment, Retention and Succession Planning	<ul style="list-style-type: none"> Gross risk score of 16 / Red risk. Previous Internal Auditors review of risk 11.1 and 11.4 as part of HR Management review in 2010/11, 'Satisfactory' assurance provided. 	<i>Subject to follow up review.</i>	-	4
11.2	High turnover of employees		<ul style="list-style-type: none"> Gross risk score of 6 / Medium risk. 			
11.4	Lack of technical and managerial skills to delivery the strategy		<ul style="list-style-type: none"> Gross risk score of 12 / Red risk. 			
11.5	Health & Safety of employees	Health and Safety of employees	<ul style="list-style-type: none"> Gross risk score of 20 / Red risk. Last subject to review by Previous Internal Auditors in 2009/10. 	-	-	3
11.6	High sick leave levels	HR – Absence Management	<ul style="list-style-type: none"> Gross risk score of 6 / Medium risk. Not subject to previous internal audit coverage. 	-	-	-
11.7	Employee and ex-employee litigation	HR – Performance Management	<ul style="list-style-type: none"> Gross risk score of 12 / Red risk. Previous Internal Auditors review of these risks as part of HR Management review, 'Satisfactory' assurance provided. 	<i>Subject to follow up review.</i>	-	-
11.8	Employer/employee inappropriate behaviour		<ul style="list-style-type: none"> Gross risk score of 16 / Red risk. 			
11.9	Non Compliance with Employment legislation	<i>Covered through HR Risk areas identified above.</i>	<ul style="list-style-type: none"> Gross risk score of 10/ Medium risk. 	<i>Covered through HR Risk areas identified above.</i>		
13.1	Legal cost over-runs	Fitness to Practise	<ul style="list-style-type: none"> Gross risk score of 16 / Red risk. FTP area represents approx. 45% of HPC costs. New FTP information system to be implemented September 2011 (2 year project). Post project review planned. 	-	5	<i>Subject to Follow Up review.</i>

Risk Ref	Risk Description	Auditable Area	Justification	Audit Year (Days)		
				2011/12	2012/13	2013/14
13.1 Contd.	Legal cost over-runs <i>Contd.</i>	<i>See Fitness to Practice above.</i>	<ul style="list-style-type: none"> Fixed price contract in place for legal fees/. CHRE review of sample of case files each year and all final decisions. Departmental Internal quality assurance processes and checks in place including recruiting to new Compliance Officer post. Previous Internal Auditors review of FTP case files 2009/10, 'Satisfactory' opinion provided. 	<i>See Fitness to Practice above.</i>		
13.3	Tribunal exceptional costs, FTP, Registrations and CPD Appeals		<ul style="list-style-type: none"> Gross risk score of 25 / Red risk. 			
13.4	Rapid increase in the number of tribunals and resultant legal costs		<ul style="list-style-type: none"> Gross risk score of 9 / Medium risk. 			
13.7	High Number of Registration Appeals		<ul style="list-style-type: none"> Gross risk score of 15 / Red risk 			
		<p>Core Financial Systems:</p> <p><i>Note '√' indicate areas of coverage within the identified days opposite.</i></p>	<ul style="list-style-type: none"> Financial processes represents key area of overall system of internal control. Also external audit expectations and therefore annual coverage to provide assurance over the operation of financial systems. Due to the mainly positive results from previous internal audit work, this will represent a rolling programme of key controls work, with more in-depth reviews of individual areas with changes in risk profile, such as staff leaving and the implementation of new systems. Internal Audit Review of Core Financial Systems each year, most recently in Q4 2010/11. 	8	6	7
15.4	Loss in value of investment fund Portfolio	Treasury Management	<ul style="list-style-type: none"> Gross risk score of 10 / Medium risk. 	-	-	√

Risk Ref	Risk Description	Auditable Area	Justification	Audit Year (Days)		
				2011/12	2012/13	2013/14
15.20	Money market provider insolvency or fraud	See Treasury Management above.	<ul style="list-style-type: none"> Gross risk score of 10 / Medium risk. 	See Treasury Management above.		
15.5	Inability to pay creditors	Creditors	<ul style="list-style-type: none"> Gross risk score of 10 / Medium risk. New electronic Purchase Order System being implemented and planned for September 2011 and would therefore benefit from review. 	√	Subject to follow up review.	-
15.10	Unauthorised payments to organisations		<ul style="list-style-type: none"> Gross risk score of 6 / Medium risk. . 			
15.13	Mis-signing of cheques (forgery)		<ul style="list-style-type: none"> Gross risk score of 12 / Red risk. . 			
15.6	Inability to collect from debtors	Debtors	<ul style="list-style-type: none"> Gross risk score of 10 / Medium risk. 	-	√	Subject to follow up review.
15.8	Receipt of fee income as per collection schedule	Income Collection	<ul style="list-style-type: none"> Gross risk score of 9 / Medium risk. High volume of transactions, recorded through NetRegulate. CSV file produced each month and uploaded into Sage. 	-	√	Subject to follow up review.
15.9	Mismatch between Council goals & approved financial budgets	Budget Setting and Control	<ul style="list-style-type: none"> Gross risk score of 8/ Medium risk. Budget Holders prepare draft budgets and subject to review/approval by Finance and Resources and Council. Monthly budget meetings between Finance and key Budget Holders. 	-	-	√
15.11	Unauthorised payments to personnel	Payroll and expenses	<ul style="list-style-type: none"> Gross risk score of 9 / Medium risk. Payroll managed internally within HPC. 	√	Subject to follow up review.	-
15.22	Payroll process delay or failure		<ul style="list-style-type: none"> Gross risk score of 10 / Medium risk. 			
15.18	PAYE/NI compliance	PAYE / NI Review	<ul style="list-style-type: none"> Gross risk score of 6 / Medium risk. Professional advice sought on PSAs with HMRC from Baker Tilly. 	-	-	-

Risk Ref	Risk Description	Auditable Area	Justification	Audit Year (Days)		
				2011/12	2012/13	2013/14
15.12	Unauthorised removal of assets (custody issue)	Asset Management	<ul style="list-style-type: none"> Gross risk score of 6 / Medium risk. New Fixed Assets module introduced, previously on excel. Capitalisation limit of £1000, plus all IT equipment irrespective of value. NAO considered new system as part of interim audit visit 2010/11. 	-	-	√
17.1	Electronic data is removed inappropriately by an employee	Information Security / Data Protection	<ul style="list-style-type: none"> Gross risk score of 15 / Red risk. Impacts on all activities/departments across HPC. HPC working towards ISO 27001 Accreditation. 	6	<i>Subject to follow up review.</i>	-
17.2	Paper record Data Security		<ul style="list-style-type: none"> Gross risk score of 15 / Red risk. 			
17.3	Loss of electronic data held by third party suppliers in the delivery of their services (general risk)		<ul style="list-style-type: none"> Gross risk score of 15 / Red risk. 			
17.4	Data received from third parties		<ul style="list-style-type: none"> Gross risk score of 10 / Medium risk. 			
17.5	Loss of physical data despatched to and held by third parties for the delivery of their services		<ul style="list-style-type: none"> Gross risk score of 15 / Red risk. 			
17.6	Loss of Registrant personal data by the registration system (NetRegulate) application support provider in the performance of their support services (specific risk).		<ul style="list-style-type: none"> Gross risk score of 15 / Red risk. 			
18.1	CPD processes not effective	Registrations - CPD	<ul style="list-style-type: none"> Gross risk score of 8 / Medium risk. Last subject to review by Previous Internal Auditors in 2008/09. 	-	-	-
SUB TOTAL (1)				30	31	31

Other Considerations

Auditable Area	Justification	Audit Year (Days)		
		2011/12	2012/13	2013/14
Risk Management	<ul style="list-style-type: none"> Annual requirement under Internal Audit Professional Standards. In order to add value to the organisation, we will adapt our approach each year. For instance, a review of overall framework in 201/12. # In years 2 and 3 to be undertaken as combined exercise with Corporate Governance for ease of reporting. Ongoing and open discussions between Audit Committee and Executive over amount of change/content of Risk Register. Presentations by Risk Owners on risks and mitigating actions to Audit Committee. Joint review with Risk Management undertaken each year by previous Internal Auditors. Most recently Q4 2010/11. 	3	2#	2#
Policy and Standards	<ul style="list-style-type: none"> Not subject to previous internal audit coverage given nature of area. Potential auditable areas around establishing/administering of Professional Liaison Groups and Stakeholder Consultation. 	-	-	-
Property Strategy / Facilities Management	<ul style="list-style-type: none"> Property Strategy in place. HPC currently struggling for meeting space, etc. Bid submitted for property next door. If successful, likely to be refurbishment / capital expenditure. Need for assurance in this area to be revisited subject to outcome of bid. 	-	-	-
Information Technology	<ul style="list-style-type: none"> Resources for review of IT related areas not covered under 'Risk based' considerations above. For example, IT Strategy, IT Helpdesk, User Account Management. Previous Internal Auditors reviewed IT Strategy and overall management arrangements in 2006/07. 	<i>See coverage of IT Backup/ Recovery Processes under Risk Based Considerations.</i>		-
Core Financial Systems:	<ul style="list-style-type: none"> External audit expectations and therefore annual coverage to provide assurance over the operation of financial systems. Also see coverage under 'Risk Based Considerations' above. 			
Financial Planning, Forecasting and Monitoring	<ul style="list-style-type: none"> Due to the mainly positive results from previous internal audit work, this will represent a rolling programme of key controls work, with 	<i>Subject to follow up.</i>	-	-

Auditable Area	Justification	Audit Year (Days)		
		2011/12	2012/13	2013/14
General Ledger	<p>more in-depth reviews of individual areas with changes in risk profile, such as staff leaving and the implementation of new systems.</p> <ul style="list-style-type: none"> Internal Audit Review of Core Financial Systems each year, most recently in Q4 2010/11. 	<i>Subject to follow up.</i>	√	Subject to follow up.
Follow Up	<ul style="list-style-type: none"> Resources to review the degree of implementation of internal audit recommendations, both from the prior year, and those scheduled for implementation in the current year. Last review by previous internal auditors Q4 2010/11. 	3	3	3
Audit Management	<ul style="list-style-type: none"> Resources for client and External Audit liaison, Annual Plan update, Annual Report preparation and preparation for and attendance at Audit Committee. 	6	6	6
Contingency	<ul style="list-style-type: none"> Resources which will only be utilised should the need arise, for example, for unplanned and ad-hoc work requests by Management and the Audit Committee. 	3	3	3
SUBTOTAL (2)		15	14	14
GRAND TOTAL (1) + (2)		45	45	44

Appendix B – Operational Audit Plan 2011/12

Auditable Area	Executive Team Contacts	Outline Scope	Audit Approach	Planned Days	Target Review Start Date	Target Audit Committee
<i>Risk Based Considerations</i>						
Corporate Governance	Chief Executive Secretary to Council	Review of HPC's corporate governance arrangements.	Systematic	4	January 2012	March 2012
Partners	Director of HR Director of Education Director of Fitness to Practise	Consideration of the means by which Partners are used within HPC. To include recruitment, training, performance management, overall monitoring over use/financial expenditure, etc.	Systematic	6	July 2011	September 2011
Project Management	Director of Operations	Review of the administration and management of major projects. Specific project to be reviewed to be agreed with Audit Committee and Management.	Systematic	6	January 2012	March 2012
Core Financial Systems- Purchase Ordering System (PRS)	Director of Finance	Systematic review of the new PRS system.	Systematic	4	December 2011	March 2012
Core Financial Systems- Payroll	Director of Finance	Review of the means by which HPC employees are paid.	Systematic	4	July 2011	September 2011
Information Security / Data Protection	Executive Team	Consideration of the controls and processes for Information and Data Security within HPC.	Systematic	6	July 2011	September 2011
			Subtotal (1)	30		

Auditable Area	Executive Team Contacts	Outline Scope	Audit Approach	Planned Days	Target Review Start Date	Target Audit Committee
Other Considerations						
Risk Management	Director of Operations	Consideration of HPC's risk management framework.	Systematic	3	January 2012	March 2012
Follow Up	Executive Team	Resources to assess progress in implementing internal audit recommendations from previous years.	Follow Up	3	July 2011	September 2011
Audit Management	Chief Executive	Resources for management of contract including:- - Ongoing liaison - Quality control - Attendance at Audit Committee - Annual report - Audit Strategy and Plan update	Not applicable	6	Not applicable	Not applicable
Contingency	Subject to nature of request	Resources which will only be utilised should the need arise, for example, for unplanned and ad-hoc work requests by Management and the Audit Committee.	Subject to nature of request	3	As completed.	As reported.
			Subtotal (2)	15		
			TOTAL DAYS	45		

Appendix C – Types of Audit Approach

Approach	Description
Systematic audit	An audit in which every aspect and stage of the audited subject is considered, within the agreed scope of the audit. It includes review of both the design and operation of controls.
Key Controls Testing	Audit testing clearly focussed on a small number of material or key controls.
Follow up	A review of the actions taken to implement previous recommendations from internal audit or other assurance providers. Wherever possible, this will be linked back to the organisation’s own recommendation tracking processes. Testing will be performed, as appropriate, to confirm the success of implementation of agreed actions to manage the risk identified.

Appendix D– Our typical approach to Individual Assignments

