

THE HEALTH PROFESSIONS COUNCIL

Chief Executive and Registrar: Mr Marc Seale

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MINUTES of the seventeenth meeting of the Audit Committee held on **Tuesday 27 March 2007** at 22-26 Stannary Street, London, SE11 4AA.

PRESENT: Mr P Acres (Chairman)
 Professor T Hazell
 Mr R Kennett
 Professor C Lloyd

IN ATTENDANCE:

Mr C Bendall, Secretary to the Committee
 Mr R Dunn, Director of Information Technology
 Mr S Ecroyd, National Audit Office
 Ms K Johnson, Director of Fitness to Practise
 Mr S Leicester, Director of Finance
 Mr D Ross, Accountant member - Finance and Resources Committee (Observer)
 Dr A van der Gaag, President
 Mr R Weighell, PKF (UK) LLP
 Mr M Wonnacott, PKF (UK) LLP

Item 1.07/26 APOLOGIES FOR ABSENCE

- 1.1 Apologies for absence were received from Mr D Proctor and Professor G Smith.
- 1.2 The Chairman welcomed the President and Mr Ross to the meeting.

Item 2.07/27 APPROVAL OF AGENDA

- 2.1 The Committee approved the agenda.

Item 3.07/28 UNCONFIRMED MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 28 FEBRUARY 2007

- 3.1 It was agreed that the minutes of the sixteenth meeting of the Audit Committee should be confirmed as a true record and signed by the Chairman.

Item 4.07/29 MATTERS ARISING

- 4.1 The Committee received a paper to note from the Executive.
- 4.2 The Committee noted the actions list as agreed at the last meeting.

Item 5.07/30 INTERNAL AUDIT REPORT - FITNESS TO PRACTISE

- 5.1 The Committee received a paper for discussion/approval from the Executive.
- 5.2 The Committee noted that PKF had reviewed the Fitness to Practise function and that the report included a management response which had been agreed with the Executive in February 2007.
- 5.3 The Committee noted that PKF had compared the policies and procedures in the Fitness to Practise Department to those operated by another healthcare regulator and regulators in other sectors.
- 5.4 The Committee noted that the report had concluded that internal controls were satisfactory and addressed the main risks. The Committee noted that the report made only one recommendation, i.e. departmental risks should be included within the departmental workplan to ensure that risk management was an integral part of business planning. The Committee noted that this would be actioned by the Department in April 2007.
- 5.5 The Committee agreed that it would have been helpful if the report had provided exact details of the fieldwork undertaken (e.g. numbers of case files examined) and included greater analysis of the results, instead of setting out existing policies and procedures.
- 5.6 The Committee agreed that the report should have, where possible, defined and given examples of best practice, to assist the HPC in continual improvement.
- 5.7 The Committee noted that some members had concerns about the presentation of the report, in particular spelling and grammatical errors. The Committee noted that the timescale for preparation of the report had been shortened to ensure that it could be received by the Committee on 27 March. The Committee noted that PKF had taken account of the points made in the discussion.
- 5.8 The Committee agreed that future reports on the Fitness to Practise Department should include an analysis of effectiveness. The Committee noted that this could be measured in several ways, including trends in the number of cases, cost and duration of each case and the number of

cases which were subject to review by the Council for Healthcare Regulatory Excellence and in the courts.

Action: PKF (Ongoing)

- 5.9 The Committee noted that the Executive aimed for constant improvement and intended to revise some Fitness to Practise procedures in the coming year.

Item 6.07/31 INTERNAL AUDIT REPORT - INFORMATION TECHNOLOGY SERVICE LEVEL AGREEMENT

- 6.1 The Committee received a paper for discussion/approval from the Executive.
- 6.2 The Committee noted that PKF had assessed the Service Level Agreement which was in place with contractors for support and maintenance of the Information Technology (IT) systems and had also assessed the effectiveness of IT back up and disaster recovery procedures. The report included a management response which had been agreed with the Executive in February 2007.
- 6.3 The Committee noted that the internal audit plan for 2006-7, which it had approved on 28 June 2006, had proposed that a number of items would be examined. These included the effectiveness of the IT strategy and its support in delivering the HPC strategy; security compliance; controls and data integrity; reliance on key individuals for delivery of the IT strategy; and business continuity and disaster recovery.
- 6.4 The Committee noted that the scope of the fieldwork had been revised by PKF following discussion with the Director of Information Technology. They noted that this had been discussed at the time and the Committee had quite clearly indicated that the internal auditors should carry out an audit of IT in line with the previously agreed 2006/7 internal audit plan. The Committee agreed that it was not clear from the report that all of the items identified in the 2006-7 internal audit plan had been examined, particularly the effectiveness of the IT strategy. The Committee agreed that the outstanding work should now be completed.
- 6.5 The Committee noted that paragraph 3.1 of the report incorrectly stated that the HPC regulated medical practitioners.
- 6.6 The Committee agreed that paragraph 3.36 of the report should be amended to clarify that the Chairman of the Finance and Resources Committee and the President had copies of the disaster recovery plan.
- 6.7 The Committee agreed that the report should be amended to include the outstanding items from the 2006-7 internal audit plan and to reflect the

discussion above. The Committee agreed that the revised report should be presented to a future meeting.

Action: PKF (by 26 June 2007)

Item 7.07/32 PKF AUDIT PLAN 2007/8

- 7.1 The Committee received a paper for discussion/approval from the Executive.
- 7.2 The Committee noted that it had considered the internal audit plan at its meeting on 28 February 2007. Since then, the Information Technology and Fitness to Practise internal audit reports had been prepared. In the light of the findings, the plan had been resubmitted so that the Committee could decide whether to amend the emphasis in the plan.
- 7.3 The Committee noted that the paper reflected the allocation of days which it had agreed on 28 February 2007.
- 7.4 The Committee noted that fieldwork on the Registrations function was scheduled for the fourth quarter of 2007-8 and PKF were concerned that the report would not be finalised in time for the Committee meeting on 27 February 2008. The Committee noted that if the fieldwork was moved to the third quarter this would coincide with peak activity in the Registration departments and planned relocation of the departments to 22-26 Stannary Street.
- 7.5 The Committee agreed that the Executive and PKF should negotiate the timing of the fieldwork on the Registrations function and the outcome should be reported to the next meeting of the Committee.

Action: PKF/GRS (by 26 June 2007)

- 7.6 Subject to the action at paragraph 7.5, the Committee approved the internal audit plan as set out in the paper.

Action: PKF (Ongoing to March 2008)

Item 8.07/33 INTERNAL AUDIT REPORT - CORPORATE GOVERNANCE AND RISK MANAGEMENT

- 8.1 The Committee received a paper for discussion/approval from the Executive.
- 8.2 The Committee noted that it had agreed at its meeting on 28 February 2007 that the report should be updated to include due dates for each recommendation. The due dates were included in the paper.

- 8.3 The Committee agreed that the Executive and PKF should review the report and agree the wording of the recommendations and the management responses. The Committee agreed that an amended version of the report should be considered by a future meeting.

Action: PKF/SL/NOS (by 26 June 2007)

Item 9.07/34 ANY OTHER BUSINESS

- 9.1 There was no other business.

Item 10.07/35 DATE AND TIME OF NEXT MEETING

- 10.1 The next meeting of the Committee would be held at 10.30 a.m. on Tuesday 26 June 2007.

- 10.2 Subsequent meetings would be held at 10.30 a.m. on:

Tuesday 25 September 2007
 Wednesday 5 December 2007
 Wednesday 27 February 2008
 Thursday 26 June 2008

CHAIRMAN

DATE