

Audit Committee 23 September 2010

Internal audit report – Stakeholder communications review

Executive summary and recommendations

**Introduction**

PKF has undertaken a review of stakeholder communications arrangements, in accordance with the internal audit plan agreed by the committee in February 2010. The report is attached as an appendix to this paper.

The report rated this area as sound and did not make any recommendations.

**Decision**

The Committee is asked to discuss the report.

**Background information**

At its meeting in February 2010, the Committee approved the Internal Audit Plan for 2010-11.

**Resource implications**

None.

**Financial implications**

None.

**Appendices**

Stakeholder communications review – report.

**Date of paper**

13 September 2010.



**Health Professions Council**

**Stakeholder communications**

**review 2010/11**

Final August 2010

Confidential



Accountants &  
business advisers

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# 1 Introduction and scope

1.1 In accordance with the 2010/11 internal audit programme for the Health Professions Council (“HPC”) that was agreed with the Audit Committee in February 2010, we have undertaken a review of the HPC’s arrangements for communicating with its key stakeholders.

## Scope of our work

1.2 At the request of the Audit Committee, the review focused upon the key risk involving loss of support from key stakeholders including professional bodies, employers or Government (risk 3.2).

1.3 We therefore reviewed the arrangements for managing this risk including the following areas:

- Communications strategy;
- Delivery of the HPC’s strategy; and
- Quality of the HPC’s operational procedures.

1.4 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, where required. The audit fieldwork was undertaken in July and August 2010.

1.5 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.

1.6 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 review of the HPC's arrangements for managing its key risk in relation to engaging with the organisation's key stakeholders. The work was performed as part of our agreed internal audit plan for 2010/11.

### Background

- 2.2 Although every HPC employee may communicate with the public, registrants or other stakeholders, external communications activity is led by the Communications Department currently comprising ten employees and overseen by the HPC's Communications Committee. A communications strategy and detailed work plan for the Communications Department setting out its principal aims and activities are prepared annually and approved by the Committee.
- 2.3 The relationship between the HPC and its key stakeholders has always been important. A key priority for the organisation is to continue to communicate its role and the benefits of its activities with stakeholders including in particular Government, professional bodies and employers.

### Our assessment

- 2.4 Based on the audit work carried out we concluded that the HPC's arrangements for managing its key risk in relation to engaging with the organisation's key stakeholders were sound at the time of our review, although inevitably much of the communications work scheduled for 2010/11 had still to be completed.
- 2.5 There is a difficult balance to be struck in meeting the expectations of the HPC's various stakeholders. Government, the CHRE and the public expect the HPC to regulate effectively with public protection as the priority.
- 2.6 As a consequence of meeting these requirements, the professional bodies and registrants may as a result sometimes consider the HPC to be overly focused on public protection ahead of registrants' interests and inflexible in its dealings with registrants in relation to fitness to practise matters.
- 2.7 In common with other regulators, since its creation the HPC has also been viewed negatively by some individuals within the various health professions who will always be opposed to regulation as a matter of principle and consider it to be onerous and unnecessary. In response to this, all that the HPC can do is to explain its statutory role and to undertake that role professionally.

- 2.8 The various events and contacts with stakeholders scheduled during the year seek to reinforce this message and to maintain regular channels of communications with all the health professions that the HPC is required to regulate.

### Principal findings

- 2.9 The direct activity undertaken by the HPC to seek to maintain the support of its key stakeholders is set out in the organisation's Communications Strategy and the Communications Department work plan. We noted that the departmental work plan was approved by the February 2010 Communications Committee, alongside a revised version of the Communications Strategy.
- 2.10 The work plan was noted by Council at its May 2010 meeting. Our review of the work plan indicated that actions had been included in relation to all of the HPC's key stakeholders.
- 2.11 Progress against each task is monitored within the Communications Department and reported to the Communications Committee within the departmental progress report. The Communications Committee meets three times each financial year. We noted a progress report was presented to the most recent meeting of the committee in June 2010.
- 2.12 As part of our assessment, we reviewed the HPC's work plan for communicating with its key stakeholders and compared the approaches adopted by the HPC to each type of key stakeholder with other health regulators.
- 2.13 We have concluded that the HPC's approach is consistent with the approaches adopted by other regulators and therefore meets best practice. We did not identify any significant disparities that we believe that the HPC needs to address. Our more detailed findings are set out in the following section of this report.
- 2.14 In framing and delivering its strategy within the context of the Health Profession Order 2001 and the White Paper - *Trust, Assurance and Safety the Regulation of Health Professionals in the 21st Century*, the HPC should ensure that it meets the expectations of the Privy Council and acts within its powers. This should satisfy Government that the HPC is regulating the professions as required but not exceeding its remit which may result in criticism from the stakeholders such as the professional bodies.
- 2.15 The consistent high quality delivery of operational activities is also an essential factor in how the HPC is perceived by its key stakeholder audiences and underpins its success as a regulator. High quality delivery is built upon robust operational procedures that are regularly challenged by management, reviewed and updated where required. We understand that process maps are in place for all the HPC's key procedures and these are subject to periodic audits in accordance with ISO 9001: 2008 to confirm compliance with the documented process and to identify any necessary improvements.

- 2.16 Regular reports on progress with these reviews and the independent certification under ISO 9001: 2008 are reported through the Audit Committee.
- 2.17 We have not therefore raised a recommendation in relation to this area.
- 2.18 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 2010**

## 3 Detailed findings

### Background

- 3.1 Communications with key stakeholders are co-ordinated through the HPC's Communications Department in accordance with a strategy that is reviewed and agreed with the Communications Committee annually. The Communications Department comprises ten employees. The work undertaken in relation to key stakeholders is led by the Director and the Stakeholder Communications Manager. The key stakeholders identified by the HPC are set out below.

HPC KEY STAKEHOLDERS
❖ Parliamentarians from the four nations and Europe
❖ Professional bodies
❖ Employers
❖ Other regulators and health organisations
❖ Trade unions
❖ Higher Education Institutions and other education providers and organisations

- 3.2 The key messages that the HPC is currently seeking to convey through its communications include:

#### HPC KEY COMMUNICATIONS MESSAGES

- The HPC's primary role is to protect the public
- It is a multi-professional regulator
- The HPC protects the public by setting national standards of education, conduct and performance for the health professionals it regulates, by dealing with complaints and by ensuring that health professionals that do not meet its standards are held to account
- The HPC is a modern efficient and effective regulator that aims to be at the forefront of professional regulation
- The HPC actively contributes to the health regulation agenda and promote good practice and standards



## Key risk

- 3.3 The key risk identified by the HPC in relation to stakeholder communications in its most recent (February 2010) risk register is loss of support from key stakeholders including professional bodies, employers or Government (risk 3.2).
- 3.4 The principal controls that the HPC is relying upon to manage this risk are as follows:
- Communications strategy and work plan;
  - Delivery of the HPC's strategy (*Strategic Intent*) ; and
  - Quality of the HPC's operational procedures.

- 3.5 The findings of our review of these controls are set out below.

## Findings

### Communications strategy and work plan

- 3.6 The direct activity undertaken by the HPC to seek to maintain the support of its key stakeholders is set out in the organisation's communications strategy and work plan.
- 3.7 We noted that a strategy workshop was held in November 2009 involving the Communications Committee members, the Chair of Council and senior managers from the Communications and Policy Departments. We noted that the workshop began with a presentation from the Director of Communications on previous research undertaken in 2007 with the public, registrants and opinion formers. Other current issues such as revalidation and new professions were also considered.
- 3.8 This workshop, together with a planning meeting undertaken within the Communications Department in December 2009 informed the departmental work plan that was approved by the February 2010 Communications Committee, alongside a revised version of the Communications Strategy. The work plan was noted by Council at its May 2010 meeting. Our review of the work plan indicated that actions had been included in relation to all of the HPC's key stakeholders.
- 3.9 The overarching objective of the Communications Strategy remains to meet the requirement of Article 3 (13) of the Health Professions Order (2001) that the HPC "shall inform and educate registrants and shall inform the public about its work".
- 3.10 In order to meet this requirement the HPC has set itself the following five key communications objectives:
- To raise awareness and understanding of the HPC's role in regulation across all its audiences;

- To extend its reach to the public enabling them to access easily information about the HPC;
- To inform key stakeholders of the HPC’s public protection role through ongoing dialogue and engagement with key stakeholders;
- To engage with our registrants to ensure they understand the benefits of regulation, the work of the Council and what is required of them; and
- To further strengthen and ensure effective internal communications within the organisation.

3.11 Progress against each task is monitored within the Communications Department and reported to the Communications Committee within the departmental progress report. The Communications Committee meets three times each financial year. We noted a progress report was presented to the most recent meeting of the committee in June 2010.

3.12 We have therefore concluded that the HPC has a clear and structured approach to engaging with its key stakeholders, which has been approved by the Communications Committee and noted by Council. Progress against the agreed work plan is reported in detail at committee level, providing members with a regular opportunity to review the actions undertaken and to suggest any enhancements to the approach adopted.

3.13 As part of our assessment, we reviewed the HPC’s work plan for communicating with its key stakeholders and compared the approaches adopted by the HPC to each type of key stakeholder with other health regulators. The results of our review are set out in the table below.

Audience	HPC approaches	Other regulators’ approaches
Government	Monitoring of Government sources of information Presence at conferences Briefings on key issues e-Politix.com web presence Meetings with interested parliamentarians Health Hotel forum participation	Media monitoring Office based in each country Senior stakeholder events e-Politix.com Meetings with interested parliamentarians Health Hotel forum participation

Audience	HPC approaches	Other regulators' approaches
Professional bodies	<p>Attendance at relevant professional body events</p> <p>Annual meetings with the Chair and Chief Executive of the HPC</p> <p>Speakers provided</p> <p>Articles in professional media</p>	<p>Attendance at relevant professional body events</p> <p>Senior stakeholder events include professional bodies</p> <p>Quarterly meetings with key professional stakeholders</p> <p>Presence at relevant trade union conferences</p>
Employers	<p>Presence at employer events</p> <p>NHS Employers conference</p> <p>Bulletins to employer groups</p> <p>Development of separate guidance on FTP for employers</p> <p>Specific events for employers</p>	<p>Separate programme of events for employers</p> <p>Attendance at relevant employers conference</p> <p>Development of separate guidance on FTP for employers</p>
Registrants	<p>Attendance at relevant professional body events</p> <p>Listening events programme</p> <p>Promotion of revalidation information</p> <p>Monitoring of professional press</p> <p>Publications and (E)mail shots to registrants</p> <p>Articles on key issues in the professional press</p> <p>Distribution of HPC InFocus (electronic newsletter)</p>	<p>Visits to practices/ laboratories</p> <p>Attendance at professional body conferences</p> <p>Listening events include revalidation consideration</p> <p>Publicity in professional media</p> <p>Direct mailing to registrants</p> <p>Road shows for new registrant groups</p> <p>Registration surgeries</p> <p>Strategy conferences to consult with registrants in development of corporate strategy</p> <p>Provider advisory groups inform strategy</p>

Audience	HPC approaches	Other regulators approaches
Educational institutions	Separate guidance for educational institutions on HPC requirements Monitoring of sector publications <i>Education Update</i> publication Presence at Quality Assurance Agency/ Council of Deans forums Education seminars	Separate guidance for educational institutions Educators invited to regional/ listening events programme

- 3.14 Based on the review findings set out above we have concluded that the HPC's approach is consistent with the approaches adopted by other regulators and therefore meets best practice. We did not identify any significant disparities that we believe that the HPC needs to address.
- 3.15 However, there are some differences in approach between the HPC and some regulators particularly in relation to engaging with professional bodies. Nevertheless, it should be noted that the HPC now regulates fifteen health professions and its approach to maintaining contact with the various professional bodies that represent these registrants is likely to be different from e.g. the General Dental Council which regulates around seven professions.
- 3.16 Some regulators also maintain a permanent presence in each of the UK home countries. At present the HPC does not, although we understand that regular engagement is maintained through other channels. In addition, it should also be noted that some regulators maintain a communications team comprising over twenty employees. The HPC's Communications Team currently comprises ten employees.
- 3.17 We have therefore concluded that the HPC's arrangements should ensure that the HPC is able to engage effectively with its key stakeholders.
- 3.18 However, there is a difficult balance to be struck in meeting the expectations of the HPC's various stakeholders. Government, the CHRE and the public expect the HPC to regulate effectively with public protection as the priority.
- 3.19 As a consequence of meeting these requirements, the professional bodies and registrants may as a result sometimes consider the HPC to be overly focused on public protection ahead of registrants' interests and inflexible in its dealings with registrants in relation to fitness to practise matters.

- 3.20 In common with other regulators, since its creation the HPC has also been viewed negatively by some individuals within the various health professions who will always be opposed to regulation as a matter of principle and consider it to be onerous and unnecessary – most notably within some professions that the HPC has recommended for regulation.
- 3.21 In response to this, all that the HPC can do is to explain its statutory role and to undertake that role professionally. The various events and contacts with stakeholders scheduled during the year seek to reinforce this message and to maintain regular channels of communications with all the health professions that the HPC is required to regulate.

#### ***Delivery of the HPC's Strategic Intent***

- 3.22 The HPC's *Strategic Intent* is founded upon the key objectives established for the HPC in the Health Professions Order 2001. The HPC's primary purpose is to 'safeguard the health and wellbeing of persons using or needing the services of registrants' (Health Professions Order 2001, Article 3 (4)). In addition, the White Paper *Trust, Assurance and Safety the Regulation of Health Professionals in the 21st Century* and subsequent working groups have set the agenda for the regulation of health professionals going forward.
- 3.23 In framing and delivering its strategy within the context of these sources, the HPC should ensure that it meets the expectations of the Privy Council and acts within its powers as set out in the Health Professions Order. This should satisfy Government that the HPC is regulating the professions as required but not exceeding its remit which may result in criticism from the stakeholders such as the professional bodies.
- 3.24 We noted that the *Strategic Intent* is subject to periodic review and approval by Council, enabling members to contribute to and approve the strategic vision of the HPC within its statutory remit. The strategic priorities are delivered through the various actions that are set out in the departmental work plans, which are also subject to review by Council or the relevant designated committee and the EMT. We noted that progress against the work plans is reported to the monthly meetings of EMT and to Council or the relevant committee at their meetings.
- 3.25 The HPC produces an annual report each year that sets out the governance arrangements of the organisation, key operating statistics, financial statement and a commentary from the Chair and from the Chief Executive and Registrar.
- 3.26 However, we understand that the principal report upon its performance prepared by the HPC is the Fitness to Practise Annual Report. This is a statutory requirement of Article 44 (1) (b) of the Health Professions Order 2001 and the content of the report is specified by the Privy Council. The most recent report for 2009/10 was considered by the July 2010 meeting of Council.

3.27 We have therefore concluded that these arrangements should ensure that the HPC continues to deliver its strategic objectives and to monitor and report its performance as required, thereby meeting the principal requirements of its key stakeholders.

#### **Quality of operational procedures**

3.28 The consistent high quality delivery of operational activities is also an essential factor in how the HPC is perceived by its key stakeholder audiences and underpins its success as a regulator.

3.29 High quality delivery is built upon robust operational procedures that are regularly challenged by management, reviewed and updated where required. The HPC maintains a detailed library of all its operational procedures on the organisation's Intranet.

3.30 We understand that process maps are in place for all the HPC's key procedures and these are subject to periodic audits in accordance with ISO 9001: 2008 to confirm compliance with the documented process and to identify any necessary improvements. Regular reports on progress with these reviews and the independent certification under ISO 9001: 2008 are reported through the Audit Committee.

3.31 Through our attendance at the Audit Committee, we have noted that the findings of the audit process have been presented on a regular basis and the level of compliance with documented procedures at the HPC has been reported as high.

3.32 The internal audit process also reviews the HPC's operational procedures, from the perspective of the organisation's identified risks, providing an independent assessment as to whether the procedures in place are appropriately designed and are being followed as required.

3.33 Finally the Council for Healthcare Regulatory Excellence ("CHRE") undertakes an annual performance review of all the health professions regulators, including the HPC. We noted that the most recent annual report published by the CHRE in June 2010 commented positively in relation to the HPC's operational procedures and many other areas.

3.34 We have therefore concluded that these arrangements should ensure that the HPC's operational procedures are of a high quality and are being followed consistently.

## 4 Assurance definitions

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