

Audit Committee, 22 November 2016

Internal Audit Report – Partner Recruitment

Executive summary and recommendations

**Introduction**

As part of the Internal Audit programme agreed at the June 2016 meeting of the Audit Committee, Grant Thornton have undertaken a review of HCPC's Partner recruitment process, including how equality and diversity issues are dealt with.

**Decision**

The Audit Committee is asked to discuss the report.

**Background information**

See Grant Thornton's report, attached

**Resource implications**

None

**Financial implications**

Grant Thornton's annual fees are approx. £47k including VAT.

**Appendices**

Internal Audit Report – Partner Recruitment

**Date of paper**

11 November 2016

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## The Health and Care Professions Council

### Review of Partner Recruitment

Last updated 07 November 2016

Distribution		Timetable	
For action	Teresa Haskins, Director of Human Resources	Fieldwork completed	21 October 2016
	Fiona Palmer, Partner Manager	Draft report issued	27 October 2016
For information	Marc Seale, Chief Executive and Registrar	Management comments	04 November 2016
	Audit Committee	Final report issued	07 November 2016

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## Glossary

The following terms are used in this report:

HCPC            The Health and Care Professions Council

FtP              Fitness to Practice

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# 1 Executive Summary

## 1.1 Background

As part of our 2016-17 Internal Audit Plan, it was agreed with the Health and Care Professional Council's Audit Committee and Management that Internal Audit would perform an audit of the partner recruitment process, including how equality and diversity issues are dealt with.

The objectives of the audit were to assess whether there is a robust and transparent process in place that can demonstrate that partners are recruited based on set requirements and that there are appropriate safeguards against bias of partners with protected characteristics. In addition, we would assess the emerging plans for analysing equality and diversity to ensure that they are adequately designed to achieve their objective.

The HCPC is a regulator whose primary objective is "to safeguard the health and well-being of persons using or needing the services of registrants". To do this, HCPC maintain a register of health and care professionals who meet their standards for training, professional skills, behaviour and health. As of 31 March 2016, the HCPC regulated c.341,000 individuals, known as registrants, from the 16 professions they regulate.

'Partners' include HCPC registrants, members of the public and legal professionals who contribute their expertise to the HCPC and play important roles in the regulatory process. There are a number of partner roles including CPD assessors, legal assessors, panel chairs, panel members, registration assessors, visitors and registration appeal panel members. They provide the expertise needed for decision making and to ensure that the HCPC has good professional, and lay (public) input into what they do. Two recruitment partner roles have also recently been

created to assist with recruitment of partners for the Education and Registration functions and these will be advertised shortly.

There are currently 804 partner roles and 644 actual partners (as a number of partners have more than one role). Recruitment campaigns for all roles are undertaken around four to five times a year. All partners have the status of self-employed contractors, none of them are directly employed by the HCPC.

**CPD assessors** are current HCPC registrants who assess registrant CPD profiles against the HCPC's standards. CPD assessors spend approximately 5 to 10 days per year, working in-house at the HCPC or nearby venues. The workload depends on the profession and the number of CPD profiles received.

**Legal assessors** are qualified, experienced solicitors, paid by the Council to provide legal advice. Legal assessors are always present when a panel meets to consider a complaint against a health and care professional, for example at a hearing or a preliminary meeting. The legal assessor provides guidance on the law to all parties involved in a meeting. Legal assessors attend approximately 15 to 30 hearing days per year, depending on the number of events being scheduled and individuals' availability to attend.

**Panel chairs** are either members of the public or HCPC registrants. All panel chairs have previous experience of Fitness to Practise Hearings and have received HCPC panel chair training. Panel chairs oversee a range of independent panels considering fitness to practise allegations ensuring they are conducted in accordance with the Health and Social Work Professions Order 2001 and all other relevant policies and procedures. Panel members spend approximately 20 to 30 working days each year

presiding over hearings. Due to variable number of cases from the various professions, there is no guarantee of the amount of work offered to panel chairs.

**Panel members** include registered medical practitioners, members of the public, and registered members of all the professions. They handle complaints about the fitness to practise of HCPC health and care professionals and consider registration appeals. Panel members can be involved at two stages of the fitness to practise process:

- When a complaint is investigated. When a complaint is received it is passed to an 'investigating panel' who sit in private and examine the facts and decides whether to take the case further.
- When a complaint reaches the hearing stage. Panels hear evidence and decide whether a HCPC registrant's fitness to practise is impaired and if action is taken to protect the public.

Panel members spend 10 to 20 working days each year on hearings. The amount of work offered to individuals varies according to the volume of cases and the professions involved.

**Registration assessors** are registered members of the professions that HCPC regulate. They assess applications from health professionals who have trained abroad or those who have taken courses that aren't HCPC approved. Based on the evidence in the application, they decide whether to recommend that the applicant is registered. Registration assessors spend approximately 5 to 10 working days per year working on applications.

**Visitors** include registered members of the professions that HCPC regulate and members of the public. They assess HCPC accredited education and training programmes to decide whether they meet the required standards. Visitors go to education providers and report back to the Education and Training Committee when it is making decisions about

programme approvals. They also give expert advice and contribute to decision making as directed by the Council or relevant committee. Visitors work approximately 5 -10 working days each year. This includes preparation, attendance and travel time.

**Registration Appeal Panel Members** are registered members of the professions that HCPC regulate. They specialise in hearing registration appeals, consider the evidence and other information presented to reach fair and well-reasoned decisions on appeals.

## 1.2 Scope and objective

The scope of the review was to:

- assess the end to end partner recruitment process and undertake walkthrough testing to establish if appropriate controls are designed into how partner recruitment is expected to work
- undertake specific testing of selected recruitment undertaken over the last 12 months to assess the robustness of evidence to show that due process was followed.

As discussed and agreed with the Director of Human Resources, the main focus of our review was on the process for recruitment (including how equality and diversity considerations are dealt with) and as a secondary consideration review how equality and diversity considerations are addressed as part of retention and replacement planning for partners.

We focused our testing on the May 2016 recruitment campaign, specifically focusing on the Panel Member Social Worker role. This was randomly selected for audit testing purposes. There were 33 applications for this position and nine were appointed. We also tested the interview and training expenses for these candidates against the agreed Finance policies and procedures.

Further details on responsibilities, approach and scope are included in Appendix A.

### 1.3 Overall assessment

Our audit concluded that the HCPC has robust and transparent processes in place for Partner recruitment. Our testing identified that recruitment procedures were complied with including appropriate safeguards against bias against Partners with protected characteristics. This included three registered disabled candidates who applied for the positions.

We found two exceptions where procedures were not complied with and an inputting error, as well as the identification of an out of date UK passport, although this is acceptable for right to work in the UK. We have therefore recommended that these are rectified and that HCPC consider whether there is potential to introduce system based functionality to validate passport dates entered and also to flag where right to work in the UK details are expiring.

In addition, we found an additional small numbers of errors in the administration of the process and these are detailed in the main body of our report. It should be noted that none of these errors affected the outcome of the recruitment process.

The table below details the key findings from our review.

### 1.4 Key findings

Risk / Process	High	Medium	Low	Info.
Partner record keeping	-	1	-	-
Shortlisting scoring	-	-	1	-
Demographic of registrants	-	-	1	-
<b>Total</b>	-	<b>1</b>	<b>2</b>	-

Further details of our findings and recommendations are provided in Section 2 of this report.

Refer to Appendix B for definitions of internal audit issue ratings.

### 1.5 Basis of assessment

For the key processes reviewed, we found that for the sample selected:

- Recruitment campaigns were undertaken in accordance with agreed processes and included a wide range of media (HCPC website and publications, Twitter, Facebook, LinkedIn, The Guardian and professional bodies publications).
- A completed application form had been received in all cases by the closing date (one form was received after the closing date and was rejected).
- All applicants had been accurately recorded in the HR application system.
- Part 1 of the application form (personal details including age, sex, ethnicity and diversity) had been removed prior to shortlisting to ensure no bias.
- Shortlisting was undertaken by both a Panel Chair and FtP staff independent of each other.
- Essential and desirables scoring had been accurately recorded in the HR system based on the Panel Chair and FtP scores.
- Interviews were offered to those candidates that achieved the highest standard scoring for the role, based on essential criteria.
- Interview letters were sent out in a timely manner including all required information for the candidate (expenses policy, travel details, date and time of interview).
- Interview notes and scores had been correctly input into the HR system.
- Based on the scores the correct candidates were offered the Partner roles.
- Acceptance and rejection notifications were sent out in a timely manner.

- Ethnicity and diversity data was accurately updated to the HR system.
- References were undertaken in accordance with the agreed processes.
- ID checks were undertaken for all successful candidates. However as detailed above we did identify one candidate who presented an out-of-date passport (expired 2014) for his evidence for eligibility to work in the UK checks.
- Contracts were issued to all successful candidates on a timely basis.
- Partner recruitment and training expenses were authorised and paid in accordance with the agreed Finance policies and procedures.
- Partner attendance expenses were authorised and paid in accordance with the agreed Finance policies and procedures.

### **1.6 Acknowledgment**

We would like to take this opportunity to thank the staff involved for their co-operation during this internal audit. Their details can be found at Appendix A.

## 2 Detailed Findings

### 2.1 Compliance with Partner Recruitment policies and procedures

1.	Medium	Accuracy of Partner record keeping
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Finding and Implication	Proposed action	Agreed action ( <i>Date / Ownership</i> )
<p>As part of our review we randomly selected the May 2016 recruitment campaign for Social Worker Panel members for testing.</p> <p>Applications were received from 33 candidates for the nine positions on offer.</p> <p>Whilst we identified mainly a high level of compliance with the approved procedures, as detailed in Section 1 of this report, there were a couple of errors:</p> <ul style="list-style-type: none"> <li>- Candidate A09703 had advised on his application that he was an atheist, however this was entered incorrectly on the HR system. (This was amended by the Partner Co-ordinator during the audit).</li> <li>- Candidates A09703 and A09634 references had not been signed as being reviewed by the Partner Manager, in accordance with the agreed procedures. We were advised that this was due to an oversight. (We have advised the Partner</li> </ul>	<p>We recommend that the Partner Manager undertakes regular self-audits to ensure compliance with agreed policies.</p> <p>HCPC to consider whether there is potential to introduce system based functionality to flag dates where right to work in the UK is expiring.</p>	<p>Current recruitment processes are extremely labour intensive and paper-based due to the limitations of the current HR system. Some input errors are inevitable. A new Partner information system is due to go live in 2017 which will address this issue as there will be less duplication of data entry.</p> <p>From 2017, the Partner Manager will carry out an audit of agreed policies once a quarter to ensure compliance.</p>



<b>1.</b>	<b>Medium</b>	<b>Accuracy of Partner record keeping</b>
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Finding and Implication	Proposed action	Agreed action ( <i>Date / Ownership</i> )
<p>Manager to ensure that all references are reviewed and signed as evidenced prior to acceptance.)</p> <ul style="list-style-type: none"> <li>- a UK passport had expired in 2014, however, this is still acceptable as right to work in the UK under Home Office rules.</li> </ul> <p>Without checks on data inputting to the system or for compliance with procedures, errors may remain undetected and undermine confidence in records.</p>		<p>The new partner system will also include functionality to flag when right to work in the UK is expiring</p> <p>Partner Manager by June 2017</p>

## 2.2 Shortlisting of candidates for interviews

2.	Low	Consistency of shortlisting scoring
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Finding and Implication	Proposed action	Agreed action ( <i>Date / Ownership</i> )
<p>For the recruitment campaign we selected (Social Worker Panel member), current procedures state that the candidates should be scored by a Panel Chair and FtP staff for interview shortlisting purposes.</p> <p>All 33 candidates who applied for the position were subject to this process.</p> <p>Shortlisting is undertaken on Part 2 of the application form which excludes the candidates age, sex, ethnicity and diversity data. This is to ensure there is no bias.</p> <p>As part of the audit we compared the shortlisting scores of the Panel Chair and FtP staff to identify the level of consistency.</p> <p>We identified a high level of consistency in the scores other than the following candidates (the maximum score obtainable is 21):</p> <ul style="list-style-type: none"> <li>- Candidate A09711                             <ul style="list-style-type: none"> <li>- Essential total score Panel Chair 6</li> <li>- Essential total score FtP staff 19</li> </ul> </li> <li>Candidate A09704                             <ul style="list-style-type: none"> <li>- Essential total score Panel Chair 5</li> <li>- Essential total score FtP staff 19</li> </ul> </li> </ul>	<p>Where the Panel Co-ordinator has challenged inconsistent shortlisting scoring this should be documented (email) for future reference.</p>	<p>To be implemented with immediate effect.</p> <p>Partner Manager</p>

<b>2.</b>	<b>Low</b>	<b>Consistency of shortlisting scoring</b>
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Finding and Implication	Proposed action	Agreed action ( <i>Date / Ownership</i> )
<p>Whilst we were advised by the Panel Co-ordinator that such inconsistencies are challenged, no evidence was provided to us during the review that they had been challenged and satisfactorily resolved.</p> <p>Failure to provide a level of consistency in shortlisting candidates for interview may lead to external challenge over the result of the exercise.</p>		

### 2.3 Partners representing the ethnicity and diversity of the registrants

<b>3.</b>	<b>Low</b>	<b>Demographic of registrants</b>
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Finding and Implication	Proposed action	Agreed action ( <i>Date / Ownership</i> )
<p>There is currently no requirement for recruitment campaigns to be designed to recruit Partners which represent the demographic of the registrants. This includes ethnicity, diversity and geographical location (Northern Ireland, Wales and Scotland).</p> <p>We were advised that approximately three years ago a targeted campaign was made in ethnically diverse publications, however this was deemed to be unsuccessful due to a lack of applicants from the advertisements placed.</p> <p>Given the emerging plans for analysing equality and diversity data we consider that this should now be reviewed to fully inform the process, publications and plans for future Partner recruitment campaigns.</p> <p>Failure to recruit Partners from a diverse range of backgrounds may lead the HCPC not achieving its equality and diversity objectives.</p>	<p>The Partner Manager and Partner Co-ordinator should identify the demographic of the registrants and use this information to help inform future recruitment campaigns.</p> <p>Local press in Northern Ireland, Scotland and Wales should also be explored for future campaigns.</p>	<p>This action will be carried out, but it is only possible to do so for age, gender and geographical location. Data for other categories is not currently held by the HCPC, or by any other body. The new Registration system will have the potential to capture more detailed registrant demographic data.</p> <p>Partner Manager by March 2017</p> <p>Use of local press will be considered where appropriate</p> <p>Partner Manager by March 2017</p>

## A Internal Audit Approach

### Approach

As part of our 2016-17 Internal Audit Plan, it was agreed with the Health and Care Professional Council's Audit Committee and Management that Internal Audit would perform an audit of the Partner Recruitment process. It was agreed that the approach to this audit would involve:

- reviewing and testing adherence to the agreed processes for partner recruitment;
- testing a number of partner payments to ensure that they are made in accordance with agreed financial processes and procedures;
- reviewing and testing partner equality and diversity data held by the HCPC.

We achieved our audit objectives by:

- Meeting with audit sponsors and other key contacts to gain an understanding of the processes in place and the risk areas, building upon information gained through the audit planning process
- Reviewing key policies, procedures and other documents to support management's representations.

The findings and conclusions from this review will support our annual opinion to the Audit Committee on the adequacy and effectiveness of internal control arrangements.

### Additional information

#### Client staff

The following staff were consulted as part of this review:

- Marc Seale, Chief Executive and Registrar
- Teresa Haskins, Director of Human Resources
- Fiona Palmer, Partner Manager
- Deborah Dawkins, Partner Co-ordinator
- Mita Patel, Partner Administrator
- Daniel Dawit, Treasury Accountant
- Marche Thomas, Purchase Ledger

#### Documents received / examined

The following documents were received or looked at during the course of this audit:

- Campaign advertisements
- Application forms for the tested campaign
- Interview schedule/score summaries

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- HR Records
  - Shortlisting guidance
  - Interview panel guidance
  - Process flowchart for recruitment
  - Template for Partner Agreement
  - Signed Partner Agreements for successful candidates
  - Finance policies and procedures
  - Vouchers for candidate expenses
  - Panel attendance records
  - Partner Equality and Diversity Report 2015
  - Schedule of Partner Fees 2016/17
  - HCPC Partner Newsletters.

## **Locations**

The following location was visited during the course of this review:

- Health and Care Professions Council  
Park House  
184 Kennington Park Road  
London SE11 4BU

## B Definition of audit issue ratings

### Audit issue rating

Within each report, every audit issue is given a rating. This is summarised in the table below.

Rating	Description	Features
<b>High</b>	Findings that are fundamental to the management of risk in the business area, representing a weakness in control that requires the immediate attention of management	<ul style="list-style-type: none"> <li>• Key control not designed or operating effectively</li> <li>• Potential for fraud identified</li> <li>• Non-compliance with key procedures / standards</li> <li>• Non-compliance with regulation</li> </ul>
<b>Medium</b>	Important findings that are to be resolved by line management.	<ul style="list-style-type: none"> <li>• Impact is contained within the department and compensating controls would detect errors</li> <li>• Possibility for fraud exists</li> <li>• Control failures identified but not in key controls</li> <li>• Non-compliance with procedures / standards (but not resulting in key control failure)</li> </ul>
<b>Low</b>	Findings that identify non-compliance with established procedures.	<ul style="list-style-type: none"> <li>• Minor control weakness</li> <li>• Minor non-compliance with procedures / standards</li> </ul>
<b>Improvement</b>	Items requiring no action but which may be of interest to management or best practice advice	<ul style="list-style-type: none"> <li>• Information for department management</li> <li>• Control operating but not necessarily in accordance with best practice</li> </ul>



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