

Audit Committee – 27 June 2008

Internal audit report – Approvals and Monitoring Process Review

Executive summary and recommendations

Introduction

PKF has undertaken a review of the approval and monitoring processes in line with the internal audit plan. The report is attached as an appendix to this paper.

Decision

The Committee is asked to discuss the report.

Background information

At the Audit Committee meeting in February 2008 the internal audit plan for 2008-09 was agreed.

Resource implications

None.

Financial implications

None.

Appendices

Approvals and Monitoring Process Review report.

Date of paper

13 June 2008.

Approvals and Monitoring Process Review

Final June 2008

Confidential

Assurance Level: Satisfactory

Employees Interviewed: Director of Operations, Greg Ross-Sampson, Head of Education, Abigail Creighton

Audit Team: Director, Jon Dee



Accountants &
business advisers

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Project timescales

Date project commenced	30/04/08
Date field work completed	04/06/08
Date draft report issued	10/06/08
Date management comments received	12/06/08
Date final report issued	12/06/08

1 Introduction

- 1.1 In accordance with our 2008/09 internal audit programme that was agreed with management and the Audit Committee in February 2008, we have undertaken a review of the Health Professions Council's ("HPC's") arrangements for managing and monitoring the compliance of education providers with its education and training standards including approval visits, annual monitoring and major changes to programmes.
- 1.2 The audit supports the annual statement on internal control required by HM Treasury and was carried out in accordance with Government Internal Audit Standards.

Scope of our work

- 1.3 As specified in our audit programme, the aim of this project was to provide assurance to the HPC that the planning and management controls over its approvals and monitoring processes were adequate and operating effectively.
- 1.4 Specifically we reviewed the risk management arrangements for the risks identified by the HPC in relation to this area, including how the approval visits, annual monitoring, major change processes and supporting activities are planned and delivered.
- 1.5 The work was carried out primarily by holding discussions with relevant employees and management and undertaking compliance testing on a sample basis, where appropriate. The audit fieldwork was undertaken in May 2008.
- 1.6 This report has been prepared as part of the internal audit of the Health Professions Council under the terms of our engagement letter 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.
- 1.7 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 approvals and monitoring processes. The work was performed as part of our agreed internal audit plan for 2008/09.

Background

- 2.2 The HPC has a statutory responsibility for approving and monitoring education programmes that lead to eligibility to register as a health professional. Any education provider can seek approval of their programmes. Programmes are normally approved on an open-ended basis, subject to satisfactory monitoring subsequently.
- 2.3 There are two monitoring processes following initial approval; annual monitoring and major change. Both of these processes are document based but may trigger a new approval visit. Annual monitoring is a retrospective process which assesses whether a programme continues to meet all the standards against which it was originally assessed during the relevant academic year. The major changes process considers any significant changes to a programme and the impact of these changes in relation to the education providers' capability to continue to meet the HPC's standards for education and training.
- 2.4 "Visitors" are appointed by the HPC to conduct the visits to education providers and to complete the assessment of annual monitoring audit submissions and major change submissions.

Our assessment

- 2.5 Based on the audit work carried out we concluded that the HPC's controls over its approvals and monitoring processes were **satisfactory**.
- 2.6 Our review indicated that clearly documented procedures and protocols are in place to inform employees, visitors and education providers of the processes established for ensuring continued compliance with the HPC's standards for education and training.
- 2.7 These procedures and the efforts of the Approvals and Monitoring Department should enable education providers to understand the HPC's requirements and ensure that practical issues such as collecting information and scheduling visits to the education providers run smoothly.
- 2.8 We noted that visitor training and recruitment was carefully scheduled and support was provided by the Approvals and monitoring Department to all assessments. We also noted that the required checks over the various visitors' assessments were operating effectively to ensure that an accurate and robust conclusion was drawn.

- 2.9 In 2007/08, the Approvals and Monitoring and the Policy and Standards Departments worked together to produce a robust procedure which allows the HPC to receive and consider complaints about an approved programme, enabling concerns to be raised with the HPC outside the normal timetable of its approval and monitoring processes.
- 2.10 The procedure has now been approved by the Education and Training Committee and guidance for complainants will be published and implemented during 2008/09. This will include both a period of preparation (where Approvals and Monitoring Department employees, visitors and committee members will be trained on the new procedure) and then a period of operation (where complaints will be received and overseen in line with the new procedure). We have not therefore raised a recommendation in relation to this area.
- 2.11 Considerable efforts have been made by the HPC in recent years to inform and engage with education providers to ensure that the processes continue to run smoothly and enhancements have been introduced as a result of the feedback received.
- 2.12 However, at the time of our review, the presentations that are planned to engage with education providers for 2008/09 had still to be delivered. For this reason, we were unable to conclude as to whether some of the planned controls and checks over the quality, consistency and delivery of these were operating effectively since they were not scheduled to take place until later in the year, when they are due to be undertaken.
- 2.13 Our testing indicated that the database systems underpinning the planning and management of the approvals and monitoring processes generated regular reports that were reviewed by management, enabling the HPC to schedule its education provider visits and monitoring processes effectively, to track each assessment and to highlight areas for action.
- 2.14 However, we understand that the biggest and most consistent piece of negative feedback arising from the HPC's survey of education providers in relation to the 2006/07 academic year was about the organisation's communication with education providers. 20% of respondents said that the communication was sent to the wrong or inappropriate person.
- 2.15 We are advised that the HPC therefore plans to redesign the bespoke approval and monitoring database, so that the contact details of education providers can be recorded and used in a different format during 2008/09. Since management is taking action to address this matter, we did not raise any recommendations in relation to this area.
- 2.16 The detailed findings of our work are set out in the following sections of this report.
- 2.17 Finally, we wish to thank all HPC employees for their availability, co-operation and assistance during the course of our review.

PKF (UK) LLP
June 2008

3 Detailed Findings

Background

3.1 The Approvals and Monitoring Department manages the approvals and monitoring processes for the HPC. Its main responsibilities are:

- Assisting the Council and the Education and Training Committee in approving and monitoring programmes of education which health professionals must complete before they can register with the HPC;
- Co-ordinating approvals visits;
- Co-ordinating annual monitoring assessment days;
- Co-ordinating the consideration of major change submissions, by correspondence;
- Publishing visitors' reports from approvals visits;
- Publishing the register of approved programmes;
- Assisting in the selection and training of visitors; and
- Liaising with education providers and education stakeholders.

Risks

3.2 The HPC has included the following strategic risks in relation to its approvals and monitoring activity in its risk register for 2008/09:

- Non- detection of low education providers standards;
- Education providers refusing visits or not submitting data;
- Inability to manage education provider visits; and
- Loss of support from education providers.

3.3 The principal controls through which the HPC is seeking to manage these risks include:

- The approval visits programme and visitor recruitment;
- Annual monitoring/ major changes process;
- Supporting activities (such as consultation on standards of education and training, publications and website, presentations and feedback mechanisms); and
- Planning and progress monitoring.

3.4 Our findings in relation to these controls are as follows:

Findings

Approval visits programme

3.5 The HPC will not approve a programme provided by an educational establishment unless it has been subjected to the approvals process. We noted that the process is clearly documented and available to all education providers, approvals and monitoring employees and visitors.

3.6 The approval process involves an approval visit, which results in an initial decision as to whether a programme meets the HPC's standards for education and training including:

- The level of qualification required for entry to the Register (e.g. bachelor/ master degree or equivalent);
- Programme admissions procedures and selection of students including criminal conviction, spoken English, academic standards checks;
- Programme management and resources including funding, sufficient specialist employees, training and development for employees, facilities, learning resources, academic and pastoral support;
- Curriculum matters such as learning outcomes meeting the HPC's standards of proficiency for the relevant part of the Register, relevance to current practice and appropriate learning and teaching approaches;
- Practice placements, including experienced and qualified supervisory employees, integration with the programme, standards and appropriateness to learning outcomes; and
- Assessment process, including design, procedures, rigour, fairness and effectiveness.

3.7 Prior to the visit education providers are therefore asked to provide detailed information in relation to each of these areas. Education providers must provide the HPC with six months notice that they wish a visit to be undertaken. This enables the HPC to make the necessary arrangements, review pre-visit documentation and gives the education provider sufficient time to prepare.

3.8 We noted that the pre-visit documentation received was sent to the assigned visitors to review, who then have two weeks to comment and provide preliminary feedback if they feel it is necessary.

- 3.9 If the information provided is insufficient, the documentation is returned to the education provider who then has two further weeks to address any shortcomings. If a full set of documentation is not provided within this time, the visit is cancelled.
- 3.10 Our review work indicated that each request for approval was logged on the HPC's visits database and progress with the collection of the required information and scheduling of the visit was monitored by the Approvals and Monitoring Department. Contact was maintained with the education provider throughout the process.
- 3.11 The HPC has scheduled forty one visits to educational providers for the 2007/08 academic year covering seventy nine programmes. The programme of visits was reviewed by the Education and Training Committee. At the time of our review, we noted that the visits were progressing to the agreed schedule, including three large multi-professional visits that had been undertaken in April 2008..

Month in academic year	Number of visits to providers	No of programmes visited
October 2007	3	7
November 2007	4	11
December 2007	-	0
January 2008	2	7
February 2008	2	3
March 2008	7	9
April 2008	5	18
May 2008	8	12
June 2008	5	6
July 2008	5	6

- 3.12 Visits to providers are normally undertaken by two assigned visitors (at least one from the same part of the Register as the profession with which the programme is concerned). All visitor recruitment is overseen by the HPC's Partner Manager and visitors are subject to the same high standards of recruitment required for all the organisation's partners.

- 3.13 Visitors are required to certify that they have no conflict of interest when undertaking a review of a programme on behalf of the HPC.
- 3.14 Visitors are provided with formal training covering the HPC's standards, the HPC's process and assessment procedures so that they are appropriately prepared. The visitors are accompanied by an Education Officer from the HPC so that advice and support can be provided in relation to the HPC's processes and to ensure consistency.
- 3.15 Following the visit a draft report is prepared setting out the work undertaken and the assessment of the programme under review against each of the relevant standards of education and training.
- 3.16 Visitors can make the following recommendations to the Education and Training Committee:
- Approve the programme with no conditions;
 - Set conditions on the programme, all of which must be met before the programme can be approved;
 - Not approve the programme; or
 - Withdraw approval from a programme previously granted approval.
- 3.17 The education provider has 28 days to respond to the report and to provide any observations. If conditions have been placed on the programme, the HPC contacts the education provider during the 28 day response time to agree a due date by which time all the conditions are to be met. After the 28 days have passed the report is submitted to the next meeting of the Education and Training Committee for consideration.
- 3.18 Our testing of a sample of programmes that sought approval from the HPC indicated that these arrangements were operating effectively and that programmes were only approved after the completion of a detailed assessment by independent visitors against the HPC's standards.
- 3.19 All recommendations made in the visitors' reports that we reviewed were considered subsequently by the Education and Training Committee. In our view, these processes should ensure that the risk of non-detection of low education providers' standards is mitigated effectively at the point of initial approval.

Annual monitoring process

- 3.20 All education providers are subject to annual monitoring unless they have undergone an approval visit in the previous academic year or they are currently going through the approvals process.

- 3.21 Providers have been split into groups A and B, which determines the nature of their submission in a given academic year as set out in the table below. A detailed audit form is required to be completed for each programme every two years.

Academic year	Group A	Group B
2005/06	Declaration	Audit
2006/07	Audit	Declaration
2007/08	Declaration	Audit
2008/09	Audit	Declaration
2009/10	Declaration	Audit

- 3.22 Monitoring submissions are required to be made to the HPC within 28 days of the education providers' own annual monitoring process. The processes established for the declaration and audit submissions are set out in the following paragraphs.
- 3.23 A declaration form requires the education provider to confirm that their programme continues to meet the HPC's standards of education and training and upon qualification students will meet the standards of proficiency required.
- 3.24 Declaration forms are reviewed by the Approvals and Monitoring Department, when they have been received. A report summarising the declarations checked and confirmed is then presented to the Education and Training Committee for approval.
- 3.25 The audit form requires education providers to provide detailed supporting information to evidence that the HPC's standards of education training are still being met. This specifically includes external examiners' reports, the response to the examiners' reports and internal quality documents. Three hard copies and one electronic copy of the documentation are to be provided to the HPC.
- 3.26 Where any changes have arisen to the programme since the last approval visit was undertaken, the education provider is required to map these changes against the relevant HPC standards for education and training.
- 3.27 Finally, the education provider is required to formally declare that their programme continues to meet the HPC's standards of education and training and upon qualification students with meet the standards of proficiency required.

- 3.28 The completed audit forms are submitted to the HPC and collated together with the necessary supporting information in readiness for visitors to complete their review by attending annual monitoring assessment days that are convened at the HPC. Formal training is provided to visitors before the assessment day takes place.
- 3.29 Two visitors complete each assessment using a standard reporting format. A detailed report setting out the reports and recommendations arising from the assessment days is presented to the Education and Training Committee. Our review of a sample of annual monitoring reports indicated that the above processes were operating as documented. The visitors are accompanied by an Education Officer from the HPC so that advice and support can be provided in relation to the HPC's processes and to ensure consistency.
- 3.30 In 2007/08, the Approvals and Monitoring and the Policy and Standards Departments worked together to produce a robust procedure which allows the HPC to receive and consider complaints about an approved programme, enabling concerns to be raised with the HPC outside the normal timetable of its approval and monitoring processes.
- 3.31 The procedure has now been approved by the Education and Training Committee and guidance for complainants will be published and implemented during 2008/09. This will include both a period of preparation (where Approvals and Monitoring Department employees, visitors and committee members will be trained on the new procedure) and then a period of operation (where complaints will be received and overseen in line with the new procedure).
- 3.32 In our view, these arrangements (together with the major changes process below) should ensure that the risk of non-detection of low education providers' standards is mitigated effectively.

Major change process

- 3.33 A major change is a change to a programme that significantly alters the way in which the HPC's standards of education and training are met and how graduates will attain the required standards of proficiency. The HPC no longer requires education providers to notify them of every change - only those that will have a significant impact upon the way that its standards are met.
- 3.34 This reflects an enhancement made to the process to reduce the number of minor changes reported by education providers requiring assessment by the HPC.
- 3.35 A major change notification form has been developed for this purpose. The form requires education providers to:
- Summarise the change or changes to way in which the programme meets the HPC's standards;

- Notify the HPC of any plans to approve the changes at the provider body; and
 - Notify the HPC as to whether any documentation is currently available to assess the changes or if it will become available at a later date.
- 3.36 The major change form is then reviewed by the Approvals and Monitoring Department to determine which of the HPC's three processes (annual monitoring, approval visit, or major change process) is most appropriate to assess whether the HPC's standards are still being met. Where the major change process is selected, the HPC begins the process of selecting visitors to conduct an assessment and obtaining further documentation from the education provider.
- 3.37 Specifically, the following information is required:
- Major changes to standards of education and training mapping template (used to map changes against each required standard); and
 - Supporting documentary evidence to demonstrate how the changed programme meets the HPC's standards.
- 3.38 This documentation is then sent to a panel of (normally two) visitors for assessment, along with any previous reports from the approval, annual monitoring major change processes. Further information may be requested from the education provider if this is required. The visitors are supported by an Education Officer from the HPC so that advice and support can be provided in relation to the HPC's processes and to ensure consistency.
- 3.39 The visitors then make their recommendation to the Education and Training Committee for approval, concluding either that the programme continues to meet the HPC's standards or there is insufficient evidence to demonstrate that this is the case and an approval visit is necessary.
- 3.40 Our review of a sample of major changes reports indicated that the above processes were operating as documented.
- 3.41 In our view, these processes should ensure that the risk of non-detection of low education providers' standards as a result of significant changes is mitigated effectively.

Supporting activities

- 3.42 The HPC undertook an extensive consultation exercise in 2004 in relation to its standards on education and training and the approvals process. Professional bodies, education providers and other people involved in training or representing registrants were all consulted. As a result of this exercise the HPC published its standards and various associated processes and made a commitment to publish further guidance on the standards of proficiency in the future.

- 3.43 A professional liaison group was established in 2005 to maintain more regular contact between the HPC and those bodies interested in its standards. Consultation over guidance and processes has continued since that time. For example, we noted that the Policy and Standards Department is currently overseeing the consultation on the standards of proficiency for operating department practitioners and on the optional standards of proficiency for chiropodist/podiatrists. We understand that the results of these exercises are to be considered by Council in early 2008/09, with a view to publishing of appropriately revised standards in mid 2008/09.
- 3.44 In 2007/08, three publications were designed and produced for the first time, namely the approvals and monitoring annual report 2005/06, the approvals and monitoring annual report 2006/07 and the major change process supplementary information. These complemented the existing suite of publications which already included the approval process supplementary information, the annual monitoring process supplementary information, the standards of education and training and the standards of education and training guidance. We noted that the Approvals and Monitoring Department is scheduled to update these publications, where necessary during 2008/09 and to publish a third annual report (covering the 2007/08 academic year).
- 3.45 The HPC maintains an online register of approved programmes as well as providing online information about the approval and monitoring processes. Over the coming year the register of approved programmes is to be updated to ensure that it is more accessible and informative to prospective students and registrants. The HPC has also recently started updating the information available for education providers, so there is a comprehensive set of online resources.
- 3.46 Our review work indicated that in autumn 2007, the Approvals and Monitoring Department asked all approved education providers for detailed feedback on their experiences of the HPC approval and monitoring processes in the 2006/07 academic year. Nearly two thirds of the education providers responded. The feedback form was spilt into five parts which included topics on the HPC's publications, processes and the website. Each set of questions addressed issues surrounding communication and guidance.
- 3.47 We noted that the findings of the survey were considered in detail by the Education and Training Committee at its March 2008 meeting and the development of the 2008/09 work plan for the Approvals and Monitoring Department was informed by the feedback received.
- 3.48 In 2008/09, the HPC plans to run six presentations to education providers throughout the UK. This will be the third year of the presentation programme. The aim of the presentations is to elicit feedback and also to provide information to providers about the approval and monitoring process. Attendees are asked to complete formal feedback forms at the end of each presentation.

- 3.49 The approach adopted will build upon the format of the previous two years but has been updated to reflect feedback from past attendees and presenters. A more interactive element will now be included and will also allow education providers and key stakeholders the opportunity to raise questions and discuss their experiences of the HPC's processes.
- 3.50 At the time of our review, the presentations that are planned to engage with education providers for 2008/09 had still to be delivered. For this reason, we were unable to conclude as to whether some of the planned controls and checks over the quality, consistency and delivery of these were operating effectively since they were not scheduled to take place until later in the year, when they are due to be undertaken.
- 3.51 However, the significant level of management input to the approvals and monitoring process and the regular scrutiny of activities by the Education and Training Committee that is scheduled to take place during 2008/09 meets best practice and should ensure that the HPC's objectives for maintaining the support of education providers are achieved. We did not therefore raise any recommendations in relation to this area.

Planning and progress reporting

- 3.52 The Approvals and Monitoring Department co-ordinate the approvals and monitoring process. Each summer a forward planning exercise is conducted through which each education provider is requested to complete a visit request form for each programme that they wish to be assessed. Providers are asked to provide three proposed dates in the coming academic year for each programme and are required to provide the HPC with at least six months notice of the proposed visit date. The HPC selects one of the three dates, based on the availability of appropriate visitors and Education Team employees. If none of the dates suggested are practical, alternatives are suggested.
- 3.53 A calendar schedule is used to map the key points of departmental activity planned for the year, including the visits programme, annual monitoring, major change and the associated visitor recruitment and training. A separate visits database is used to record all the activity associated with the planning and conduct of a scheduled visit. This includes details of the programme, the due dates for the receipt of pre-visit information, the scheduled visit date and Education Officer assigned to the provider.
- 3.54 The requirement of six months notice in advance of a visit enables the Approvals and Monitoring Department to schedule the visits and collect the pre-visit information effectively and thereby minimise the risk of late cancellations and incomplete data submissions. We noted that from the time that the initial request for a visit was logged on the HPC's database, progress was monitored closely and follow up contact was made with the education provider in question to ensure that the process went smoothly. The database is also used to record progress with annual monitoring and major change activity.

- 3.55 The due date for the education providers own annual monitoring process is recorded on the database, which triggers the despatch of either the declaration or audit form by the HPC. Contact is maintained with the education provider during the academic year, to ensure that the date that they have specified remains accurate. As the annual monitoring information is received from the education providers, it is logged and tracked on the database, enabling the necessary preparations to be made for the assessment days. The evaluation of major change submissions is also logged and tracked on the database.
- 3.56 We noted that reports covering each process are generated on a weekly basis by the Approvals and Monitoring Department. These are reviewed by management and priority areas such as late submissions are highlighted for further action. Visitor numbers are also monitored closely to ensure that sufficient visitors remain available to deliver the assessments scheduled for the academic year. We also noted that progress with all the Approvals and Monitoring Department activity is reported to the Education and Training Committee meetings.
- 3.57 Our review of a sample of planning and monitoring reports indicated that the above processes were operating as expected and should enable the HPC to manage its education provider visits and monitoring processes effectively and highlight areas for management action.
- 3.58 However, we understand that the biggest and most consistent piece of negative feedback arising from the HPC's survey of education providers for the 2006/07 academic year related to the organisation's communication with education providers. 20% of respondents said that the communication was sent to the wrong or inappropriate person. We are advised that the HPC therefore plans to redesign the bespoke approval and monitoring database, so that the contact details of education providers can be recorded and used in a different format during 2008/09.
- 3.59 Since management is taking action to address this matter, we did not raise a recommendation in relation to this area.

4 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.