

Audit Committee 25 November 2010

Internal audit workplan 2010-11: Proposed change to workplan

Executive summary and recommendations

Introduction

At its meeting on 24 February 2010, the Committee agreed the internal audit workplan for 2010-11.

At its meeting on 23 September 2010, the Committee noted that eight days had been scheduled for a review of the project to regulate psychotherapists and counsellors. However, the Department of Health had recently published 'Liberating the NHS: Report of the arm's-length bodies review' which said: '[...] we intend to abolish the General Social Care Council and move the regulation of social workers out of the arm's-length bodies sector to make it financially independent of government. We believe that in future, the most appropriate model for the ongoing regulation of the social care workforce is to transfer responsibility for these functions to the Health Professions Council, a well established and efficient regulatory body currently regulating over 200,000 registrants from fifteen professions. (DH, 2010, p22)

The Committee therefore agreed that, in light of the arm's length body review, it should reconsider the internal audit workplan at its meeting today.

The abolition of the General Social Care Council and the transfer of its regulatory functions will require primary legislation and thus are subject to the legislative process and the approval of Parliament. However, the proposed timetable assumes that the legislation will be published in December of this year and we anticipate that the legislation will be passed either before or after the summer recess.

Whilst work is ongoing with regard to the proposed regulation of psychotherapists and counsellors, no final decision has been made by Government with regard to the future regulation of these professions. However, Government has given a clear indication regarding the future regulation of social workers by the HPC.

Decision

The Committee is asked to decide whether the eight days allocated for a review of the project to regulate psychotherapists and counsellors should instead be allocated to the project to transfer regulatory functions from GSCC to HPC.

It is recommended that, if the allocation of days is changed, the review should still take place in quarter four of 2010-11.

Background information

At its meeting on 24 February 2010, the Committee approved the internal audit plan for 2010-11. Internal audit reports for each completed audit are considered at committee meetings during the year. Committee meetings during the year also receive progress reports on internal audit.

The Committee will be asked to consider the internal audit plan for the 2011-12 financial year at its next meeting (16 March 2011).

Resource implications

None.

Financial implications

There is an allocation within the Finance Department budget to cover the internal audit costs.

Appendices

Remaining internal audits planned for 2010-11

Date of paper

25 October 2010.

Appendix 1 – Remaining internal audits planned for 2010-11

Financial systems: 10 audit days

Quarter Three

Report to be presented to March 2011 Audit Committee.

Review and testing of the controls over the main financial systems. This will cover the core areas of:

- Payroll;
- Budgetary control;
- Ledger management;
- Asset management;
- Income, including forecasting, billing, recovery and recognition;
- Purchasing and payments;
- Travel and subsistence; and
- Cash management including cash flow management, banking and reporting

Follow up: 3 audit days

Quarter Three

Report to be presented to March 2011 Audit Committee.

Follow up of the extent that previous recommendations have been implemented in full.

Projects review: 8 audit days

Quarter Four

Report to be presented to March 2011 Audit Committee.

PKF has selected the Counsellors and Psychotherapists project for review since it involves the largest number of new registrants (over 30,000 initially rising to over 45,000). The internal audit work will focus upon the project planning and management of the implementation of the project. The review will specifically consider the arrangements for managing the high priority risks – 2.2 Rapid increase in registrant numbers, 8.11 Failure to successfully open the Counsellors and Psychotherapists register.

Corporate Governance and Risk Management: 6 audit days

Quarter Four

Report to be presented to March 2011 Audit Committee.

Annual assessment of the corporate governance arrangements for the Health Professions Council. The review will specifically cover the controls in place to manage the high priority risks - 4.2 Council members conflict of interest, 4.4 Failure to meet Council and Committee quorums.