Audit Committee

11 November 2020

Internal Audit report – PSA and Internal Reporting

Executive Summary

As part of the 2020-21 Internal Audit Plan as approved by the Committee, BDO LLP have undertaken a review of the HCPC's performance management and internal reporting.

The main objectives were to:

- provide assurance that KPIs and performance reports, including data, currently reported to SMT and Council are accurately stated and can be supported with source information;
- provide advisory support for ongoing work to improve KPI reporting with reference to current PSA standards and HCPC's wider strategic objectives; and
- assess whether there are effective, well governed and good project management arrangements with respect to the performance working group and internal management of PSA performance.

Previous consideration	None.
Decision	The Committee is invited to discuss the report.
Next steps	Recommended actions agreed with the Executive will be tracked for progress in the Committee's standing recommendation tracker report.
Strategic priority	The strategic priorities set in 2018 are no longer current. We are developing a new strategy that we aim to confirm at the end of 2020.
Risk	All
Financial and resource implications	The cost of the audit is included in the Internal Audit annual fee.
Author	BDO LLP

HEALTH & CARE PROFESSIONS COUNCIL

INTERNAL AUDIT REPORT - FINAL

PSA AND INTERNAL REPORTING
NOVEMBER 2020

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Document history			Distribution	
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Auditor: Suhail Daar
Reviewed by: William Jennings

1 Executive Summary

Introduction

1.1 This review was completed in accordance with the approved annual Internal Audit plan for 2020/21.

1.2 HCPC has a suite of internal KPIs in use since January 2018 based upon the previous PSA standards. In order to ensure that the KPIs continue to directly link to the current PSA standards a new set of KPIs is being developed. As part of this exercise, HCPC is also reviewing its operational approach to data and intelligence with a view to increasing automation in the process of KPI production, as production is currently a manual process led by individual area leads.

1.3 Following the publication of HCPC's latest performance review undertaken by the PSA in August 2019, a performance working group was established to monitor and improve performance in two ways:

- in the short term to report on and meet current PSA standards; and
- in the longer term to adopt a collaborative approach to improve performance more generally, both within and spanning departments.

1.4 The performance working group first met in February 2020 to agree an approach to achieving its objectives, and again in May 2020 to review progress. A RAG rated self-assessment of the PSA's 18 standards from this work is being monitored and communicated to SMT. Alongside this assessment is a list of planned future actions with supporting project charters.

1.5 For the Council meeting in March 2020, the Chief Executive provided a report on organisational performance, setting out performance metrics from across the organisation relating to: Timeliness; Finance and Resources; Quality; and Information Technology. Alongside this, a Fitness to Practise (FtP) performance dashboard for the period ending 31 January 2020 was also presented. The Fitness to Practise performance information indicated that although the number of open cases had decreased following the transfer of social workers, new concerns were being received faster than the rate of cases being concluded.

1.6 Since this March 2020, Council meeting there have been a further three Council meetings. At each meeting revisions to an FtP reporting dashboard have been presented to complement the standard performance reporting used from 2018.

Review objectives, risks and approach

1.7 The main objectives of the audit were to :

- provide assurance that KPIs and performance reports, including data, currently reported to SMT and Council are accurately stated and can be supported with source information;
- provide advisory support for ongoing work to improve KPI reporting with reference to current PSA standards and HCPC's wider strategic objectives; and
- assess whether there are effective, well governed and good project management arrangements with respect to the performance working group and internal management of PSA performance.

1.8 The key risks with this area of activity were:

- The number and planned areas of focus for proposed KPIs enable SMT and Council to have effective oversight of HCPC's performance.
- KPIs are supported with sufficiently clear definitions and methodologies to assist in their calculation and review.
- Actions planned by the performance working group are appropriate to address identified gaps in performance.
- Actions planned by the performance working group are clearly assigned and monitored through to completion so that its objectives are met.
- Controls are effective such that existing performance reports to SMT and Council are accurate and reliable, particularly relating to key areas of regulatory interest including Fitness to Practise and Registrations.

1.9 Although we conducted work to validate recently reported performance information to SMT and Council, as HCPC is currently reviewing its KPIs and performance framework, our predominant focus was evaluating planned future reporting arrangements.

1.10 The review was undertaken mainly through MS Teams interviews of key staff, review of programme related documentation and seeking evidence to re-perform calculations for recently submitted performance information.

Key conclusions

(Green-Amber)

Generally a good control framework is in place. However, some minor weaknesses have been identified in the control framework or areas of non-compliance which may put achievement of system or business objectives at risk.

1.11 Overall, we found that the current corporate KPIs being reported are mostly accurate and reliable, although our review of the definitions and recalculations of a sample of these KPIs did identify a few minor discrepancies. Despite the documented processes and methodologies for calculating most of the performance indicators at Council and SMT level were working largely as intended, there remains a high degree of manual intervention and calculation, with an increased risk of human error potentially impacting the accuracy and reliability of performance reporting. This demonstrates that, until there are fully automated performance reporting tools in place, there is an ongoing need for detailed checking of performance figures prior to submission.

1.12 We note that management information and KPI reporting processes are being redesigned, particularly regarding the performance reporting of the FtP department. At the time of our fieldwork, iterations of this dashboard reporting had been seen at several Council meetings, with feedback incorporated following each presentation. It was clear from our review of these reports that HCPC has reflected on the need for clearer reporting over FtP performance using a combination of 'leading' and 'lagging' metrics to balance the importance of understanding what performance is, while also helping to take early action if indicators show potential issues with performance in future.

1.13 This work built upon an exercise conducted with Council and SMT in 2018, to decide upon a format of performance reporting, which has been used for the past two years. With the introduction of the new PSA standards and HCPC's organisation changes, we recommend a similar exercise be conducted so that Council has sufficient time to consider and feedback how it would like to receive performance information relevant to HCPC's objectives and regulatory requirements.

1.14 As part of our work, we reviewed other organisations' KPIs and, specifically, compared in detail the publically-available performance reports of two other healthcare profession regulators the GMC and NMC and set out relevant extracts from reports from their July 2020 Council meetings within Section 3. While there are wide ranges of performance reports across sectors we specifically focussed on these examples due to their similarity to HCPC as healthcare profession regulators. There are many different available approaches to reporting on performance and HCPC should review and consider a range of reporting techniques in deciding on an approach to follow that is appropriate for the organisation's needs. We made the following observations:

- Examples 1 and 2 show the GMC's performance reporting clearly links performance measures with its stated core regulatory objective. This helps demonstrate the 'golden thread' from the high-level strategic objective through to the relevant performance measures designed to show whether or not that objective is being met. We highlighted this example as in our view the KPIs are well defined and clearly link to the objective.
- Example 3 (NMC) uses a range of techniques but the graphs used to display performance give a very clear indication of what the target is and whether it is being met. By showing the results in graphical form the user can easily identify whether performance is in an upward or downward trend.
- Example 4 (NMC) shows that HCPC is not alone in facing challenges in presenting operational information in a way that enables strategic oversight. Here the NMC is presenting FtP caseload information and, because of the highly operational nature of the data, it is not easy to quickly establish the direction of travel or whether performance is satisfactory.

1.15 KPIs and performance reports should ideally be agreed by both Council and the SMT together as the main forums that receive the reports. This will help achieve a balance between keeping performance reports sufficiently strategic while ensuring enough operational data is also presented. These new performance indicators should reflect the key performance of the departments, as well as replicating the assessment of the PSA. These are also the main aims of the performance working group in their development of more efficient and effective performance metrics across all the departments. The working group is supported with an action plan set up to mirror the 18 PSA standards. From our review of the action plan document we noted its clear structure in linking responsible individuals to actions and deliverables.

1.16 In continuing to design HCPC's performance reporting framework the approaches of other healthcare profession regulators should be considered. As general observations from our review we noted:

- Presenting monthly performance figures in a graph format tends to allow for easier comparison against previous years, trends and targets.
- Creating measurable targets for FtP performance, and then measuring against these targets, gives a much clearer view over performance compared with presenting operational data.
- Presenting KPIs in the context of the strategic or regulatory objective helps contextualise the risks where performance is not at target level.

1.17 However, we noted a few improvements regarding the governance of the performance action plan. The performance working group lacks an approved Terms of Reference, with some gaps noted in progress reporting. Nevertheless the creation and approach of this performance working group, as well as the design of their action plan, we assess as appropriate for the purpose of making improvements to HCPC's performance reporting and alignment with the expected PSA standards.

1.18 Finally, we recognise that the heavy reliance on spreadsheets and manual calculations is a known issue for HCPC, and automation being a primary driver behind changes and modernisation of systems and process However, we found some minor instances where KPIs were either calculated incorrectly or lacked clear definitions and methodologies.

Recommendations summary table

1.19 The table overleaf summarises the recommendations made across the key risks audited, grouped by priority ratings:

Key risk area		Rating		Recommendation Priority rating		
				1	2	3
1	The number and planned areas of focus for proposed KPIs enable SMT and Council to have effective oversight of HCPC's performance.	Green	Amber	-	1	-
2	KPIs are supported with sufficiently clear definitions and methodologies to assist in their calculation and review.	Green	Amber	-	1	1
3	Actions planned by the performance working group are appropriate to address identified gaps in performance.	Green		-	-	-
4	Actions planned by the performance working group are clearly assigned and monitored through to completion so that its objectives are met.	Green	Amber	-	-	2
5	Controls are effective such that existing performance reports to SMT and Council are accurate and reliable	Green	Amber	-	-	-
	Total recommendations made			-	2	3

-

1.20 The following tables in Section 2 Key Findings show the results of our analysis by each key risk area. Areas for improvement are highlighted with the key recommendations in the right-hand columns.

2 Key Findings

Key Risk Area 1: KPIs and effective oversight of HCPC's performance. Assessment: Green Amber

Background

Performance indicators, especially the KPIs produced and reported by a regulator should be appropriate to provide both an organisation's management team a clear and realistic picture of the organisation's overall performance. These should be clearly defined, tailored to an organisations strategic objectives and key risks, and presented in such a way to allow the users of the reports to gain a quick and accurate view over organisational performance.

Findings & implication

Positive findings

- HCPC has recognised the need for improved corporate KPIs and has appointed a Business Improvement Director to address systemic issues which includes a review and production of a new HCPC Council Management Information (MI) Dashboard on the performance of the FtP department. This new HCPC Council MI dashboard was presented to Council in May 2020 showing performance as at 30 April 2020 and again in July 2020 showing performance as at 30 June 2020 and the format is being updated and refined following each Council meeting.
- Although the format of this dashboard changes as feedback from Council during the course of Council meetings is implemented, it is clear that the underlying categories of information (demand, performance, backlog risk, timeliness and analysis of historic cases) are being reported on due to an understanding of the key factors impacting on broader FtP performance.
- In addition, we noted that there was a clear consideration for metrics to be included that are both 'leading', and so help to forecast performance, and 'lagging' to help transparently report on performance. Combining both 'leading' and 'lagging' metrics helps to balance the importance of understanding what performance is, while also helping to take early action if indicators show potential issues with performance in future.

Recommendation

1. In order to support HCPC's development of the corporate strategy and performance reporting, HCPC should conduct a standalone workshop event with both members of Council and SMT, similar to the one held in January 2018, to decide upon a the format and framework of performance reporting.

   In doing so HCPC should gather examples of performance reporting approaches from other healthcare regulators and compare different approaches to decide on what works best for its needs.

   When setting out a performance framework HCPC should focus on clearly linking defined and measurable metrics, with targets, corporate objectives and regulatory requirements. In this way there will be a clear golden thread linking the strategic requirement with the KPI demonstrating whether that strategic requirement is being met.

Priority 2

Management response

Findings & implication	Recommendation
• We analysed the production of operational management information by the Registration and Education departments for reporting to the monthly Senior Management Team (SMT). We reviewed this and held interviews with the Heads of the Registration and Education department and concluded reporting was appropriate for the operational requirements, with information and commentary captured and available to Council when required. • The FtP department incorporates the Assurance and Development Team who produce their extensive monthly management information in two packs, the Management Information Pack (MIP) and the Management Information Supplementary Pack (MISP). An internal exercise was conducted to review the proportionality of the intensive resource requirements to produce these reports, which concluded that the reports should not be continued beyond July 2020. From our review of the production of this information we also concluded it was very labour intensive and agree with efforts to make reporting more streamlined, subject to areas for potential improvement set out below. **Areas for improvement and implication** • The current Key Performance Indicators (KPIs) dashboard is broadly based on the work done in a Corporate Plan and KPI workshop with members of Council and the Senior Management Team (SMT) held in January 2018. This standard report is accompanied by an FtP performance dashboard. From our review of Council minutes, we noted that the FtP performance dashboard format has been evolving, with Council providing input at each meeting to shape the format of future reports. With the recent changes in the PSA standards, and structural changes within HCPC itself, taking into account ongoing steps to formulate a new Corporate Strategy, we consider that Council will benefit from a workshop session, like that in 2018, to provide detailed input on the structure and format of performance reporting. • As part of our work, we conducted a comparison of performance reporting by HCPC with peer regulators the GMC and NMC. This highlighted that good practice in performance reporting is to link performance metrics clearly with strategic objectives, be they regulatory compliance based or otherwise. As part of HCPC's ongoing initiatives to prepare its corporate strategy, having performance metrics that directly correlate to objectives helps ensure that information provided to Council is of an appropriately strategic focus. • Although differences in reporting formats and styles were expected in our comparison with NMC and GMC performance reports, as a general observation, we noted that the presentation of performance figures when compared to HCPC's reports made it easier to clearly see whether performance was in-line with targets or expectations, for example through the use of graphs or percentage based metrics.	Accept Action: The HCPC will seek to schedule a session with Council and SMT in the new financial year on performance and KPI requirements to support the new Corporate Strategy. Additionally the HCPC will establish a Finance and Resources Committee in early 2021 and this group will lead on performance against metrics oversight and will input into future reporting requirements. Action Owner: Head of Governance Completion date: May 2021

Key Risk Area 2: KPIs' definitions and methodologies

Assessment: Green Amber

Background

The Key Performance Indicators (KPIs) should be clearly defined and each KPI should be supported by an easy to follow documented methodology, supported by an appropriate review process, to ensure the accuracy of the KPI being reported. Clear KPIs help to ensure that performance itself is easy to understand by the users of reports, but also assist in ensuing that a consistent approach is used for their calculation.

Findings & implication

Positive findings

- The four current corporate Registration KPIs reported on the KPI dashboard are clearly defined and they are supported by a documented methodology for the calculation of the KPIs, in a document titled Registration Monthly Management Reports. We found this document easy to follow with clear definitions for calculation.
- Five out of the six corporate FtP KPIs reported within the KPI dashboard are clearly defined and supported by a documented methodology. This also includes practical guidance on how to calculate the KPI.

Areas for improvement & implication

- From our recalculation of the Registration KPIs from Jan to March 2020, we found that the Feb 20 reported median figures for International applications (both European Mutual Recognition (EMR) and Non-EMR) were the mean figures instead of the median figure. Although the differences between the median and mean scores were minor and performance still within target, the accuracy of data reported to Council is important with errors in calculation indicating minor weaknesses in controls.
- The corporate Education KPI is not clearly defined as it does not clear whether results are within the month or based on a 12 month rolling median. Our recalculation of the monthly median did not agree with the January and February 2020 figures reported to Council, albeit the difference was minor.

Recommendation

2. In deciding on the titles and descriptions of future KPIs, HCPC should take steps to ensure that that titles and descriptions reflect the performance measure as closely as possible to avoid any misinterpretation of the figures. For example:
   i. the current measure 'number of cases per manager' should clearly explain that some cases are excluded; and
   ii. the measure 'median time to produce a visitors report following a visit' where it states 'year-to-date' should reflect that the actual data is a rolling 12 month average.

Priority 2

3. HCPC plans to improve internal reporting mechanisms including performance reporting. Nonetheless, while calculations remain heavily reliant on manual input staff should be reminded of the importance of carefully checking KPIs prior to submission. Where KPIs are not supported by detailed methodology documents to assist staff in calculating them, these should be prepared.

Priority 3

Management response

Findings & implication	Recommendation
• One of the corporate FtP KPIs, relating to 'number of cases per case manager', was not clearly defined as it is calculated excluding Rule 12 and Interim Order cases. In addition, we noted that this KPI was reported incorrectly as 40 cases per manager for February to May 2020, when on recalculation we found it to be 33. • We consider that the heavy manual operation of indicators in these cases, increases the risk of error.	Accept Action: The two examples given in recommendation two are resolved. The education KPI will be worded as suggested and the case per case manager KPI is no longer one we use given the Council's agreement of new FTP metrics in July 2020. Manual processes for collating KPI data will be addressed through our focus on digital transformation, which will aim provide greater automation in data production. The new Executive Director of Regulation will review the performance criteria for the regulatory functions. The Exec Director of Digital Transformation will support the documentation and automation of the production of these KPIs. In the meantime, employees will be reminded of the importance of reviewing data for accuracy Action Owner: SMT (given metrics span all departments) Completion date: April 2021

Key Risk Area 3: Actions planned by the performance working group

Assessment: Green

Background

The PSA introduced a set of new standards in January 2020. HCPC is also going through a period of transformation, part of which included the creation of a PSA action plan to map the 18 new regulatory standards against known areas of intended HCPC improvement. This action plan is framed around the new 18 standards and contains a series of actions used internally to drive the improvement programme predominantly focussed on FtP, but covering a wide range of areas. Organisations going through periods of change should regularly review action plans to ensure that actions specifically target intended areas of improvement.

Findings & implication

Positive findings

- The Head of Policy and Standards is the chair of the PSA Action Plan Working Group which was created in February 2020, a logical approach was taken in the production of an action plan to address identified gaps in HCPC performance which is clearly linked to the 18 PSA regulatory standards.
- The action plan was initially produced by taking the results of the 2018/19 PSA review and then overlaying it with the results of the targeted review by PSA (the mini audit of the FtP process done by PSA in March 20) as well as the issues with PSA new standards that have been identified from the working group members that need fixing. It was highlighted that this performance working group was not just focusing on the PSA identified issues for the standards but also identifying improvements in the other aspects around the standards.
- We reviewed the action plan used by the working group titled "Performance working group progress tracker v3 (June 2020)" and confirmed that it included the relevant fields/headings expected in a good action plan.
- We also noted and assessed that each of the 18 PSA standards have been categorised into the tracker with appropriate actions identified for each area.

Areas for improvement & implication

- None

Recommendation

None

Management response

N/A

Key Risk Area 4: Assignment and monitoring of actions planned by the performance working group

Assessment: Green Amber

Background

In line with good practice all action plans should ensure actions have clearly assigned responsible owners, clearly defined actions, and realistic deadlines to ensure there is accountability for the completion of that action and a suitable target date against which to monitor the progress of completing that action. The status of these actions should be reviewed on a regular basis and updated accordingly, and also reported regularly to an appropriate governing body as to whether or not these actions are or will be achieved with a supporting commentary where necessary.

Findings & implication

Positive findings

- The performance working group action tracker is set up within an Excel spreadsheet and structured so that each of the 18 PSA regulatory standards is clearly assigned a relevant HCPC owner. Each of the 18 standards has a series of actions identified, with each action having a series of deliverables identified. Each deliverable is assigned a deadline and a status update, with a separate area within the tracker to contain any commentary.
- A separate tab within the spreadsheet summarises the completion statuses of the actions and deliverables listed by the PSA standard and an owner to allow for easy and effective oversight of implementation status.
- There are regular, recorded meetings (4-6 weeks) of the performance working group and regular reporting of its outcomes to the private sessions of Council meetings (6 times a year). The senior level of engagement is helpful in ensuring the work retains a high profile and strategic oversight.

Areas for improvement & implication

- The performance working group does not have a formally documented Terms of Reference setting out its wider objectives, authority and governance structures. Without a formally approved Terms of Reference the objective and purpose for the working group is not formalised and mutually agreed.
- Our review of the performance working group action plan as at June 2020 identified eight actions not started and four actions in progress that had passed their target completion date, but did not include any supporting explanation, commentary or revised target dates. An additional flag has been set up to state the impact of COVID-19 on delivery of actions. Many actions may be on hold or delayed due to the impact of COVID-19, but this field has not been completed. Keeping the action tracker fully up-to-date will help to ensure that actions can be reprioritised appropriately.

Recommendation

4. HCPC should ensure that there is a documented Terms of Reference in place for the performance working group approved by Council. This will help formalise the activity of the working group in driving improvements and ensure that actions continue to be prioritised.

Priority 3

5. The action tracker should be regularly reviewed to ensure that all actions which are overdue have detailed commentary on the latest progress with revised timescales for completion.

Priority 3

Management response

Accept

Action: A terms of reference will be developed and approved by the SMT as it is an Executive group.

Action Owner: Head of Policy and Standards, Head of Governance

Completion date: December 2020

	Accept Action: This need is regularly reinforced at meetings and will continue to be. Action updates are reviewed by the Head of Policy and Standards before each meeting. Action Owner: Head of Policy and Standards Completion date: Complete

Key Risk Area 5: Controls on existing performance reports to SMT and Council

Assessment: Green Amber

Background

The departments of Education, Registration and FtP are responsible for producing performance reports to SMT and Council rely on a combination of IT systems and manual processes to carry this out, but compensatory controls in the form of additional checks are designed to reduce the potential of human error. We carried out a walkthrough of the systems and processes used to produce the final performance reporting of these three departments along with a recalculation of a sample of KPIs.

Findings & implication

Positive findings

- HCPC has already been taking steps to review and change the way performance information is stored and reported to Council. We support the current actions being carried out to explore new case management systems with a focus on automation and more efficient reporting mechanisms.
- Internal reporting of performance is presented monthly to the SMT and includes more detailed discussions on operational performance indicators than those reported at Council. This approach is appropriate for that reporting level.

Areas for improvement & implication

- HCPC recognises the need for a more efficient and effective case management system for the FtP department, and more automation generally for the production of KPIs. As set out in Key Risk Areas 1 and 2 of this report, spreadsheets and manual processes are relied on in performance reporting due to a lack of suitable reporting functions within systems. We identified minor discrepancies in the performance reporting of both Registration and Education department KPIs which showed some potential deficiencies in manual checks before the final submission of performance information.

Recommendation

See recommendations 2 and 3.

Management response

N/A

3 Extracts of GMC and NMC performance reports

Example 1 – Extract of performance report from GMC Council Meeting July 2020

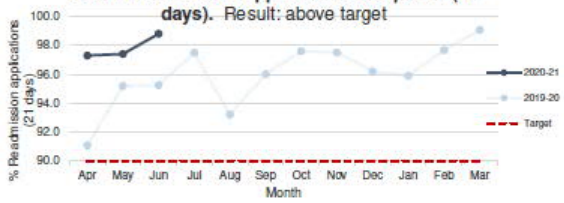
Operational Key Performance Indicator (KPI) summary

Core regulatory objective	Key Performance Indicator	Performance		Exception summary
		March	April	
We decide which doctors are qualified to work here and we oversee UK medical education and training.	Decision on 95% of all registration applications within 3 months	97%	99%	**Registration and Revalidation missed KPI's:** • Temporary registration opt-out campaign created a significant increase in call volumes (23.8% higher for Mar-Apr compared with the previous year). Coupled with the transition to home working and staff caring responsibilities following school closures the target was missed in March but recovered in April. Call volumes expected to remain high. • Changes to revalidation dates made in March impacted the usual profile and volume of expected recommendations processed in April. As a result of the deferral of dates we processed a much lower volume of decisions than usual and the exceptions within this had an exaggerated impact on the overall target. **Fitness to Practise missed KPIs:** • Target was missed due to a range of concurrent factors including case type and complexity and staff availability. **Forecasts** • Forecast summaries have been removed for this report given the significant uncertainty and disruption to processes. As an outcome of our Recovery Planning Taskforce we will consider work backlogs and longer-term impacts on our KPI performance.
	Answer 80% of calls within 20 seconds	69%	83%	
We set the standards that doctors need to follow, and make sure that they continue to meet these standards throughout their careers.	Decision on 95% of all revalidation recommendations within 5 working days	98%	42%	
	Respond to 90% of ethical/standards enquiries within 15 working days	96.5%	97.7%	
We take action to prevent a doctor from putting the safety of patients, or the public's confidence in doctors, at risk.	Conclude 90% of fitness to practise cases within 12 months	92%	89%	
	Conclude or refer 90% of cases at investigation stage within 6 months	91%	93%	
	Conclude or refer 95% of cases at the investigation stage within 12 months	95%	95%	
	Commence 100% of Investigation Committee hearings within 2 months of referral	No cases	100%	
	Commence 100% of Interim Order Tribunal hearings within 3 weeks of referral	100%	100%	

Example 2 – Extract of performance report from GMC Council Meeting July 2020

Example 3 – Extract of performance report from NMC Council Meeting July 2020

KPI 5: Readmission applications completed (21 days). Result: above target



Commentary: System improvements have continued to benefit applicants who wish to readmit to the register, with readmissions continuing to increase overall. This is in addition to managing significantly increased correspondence relating to requests to join the temporary register, as well as revalidation and retention extensions.

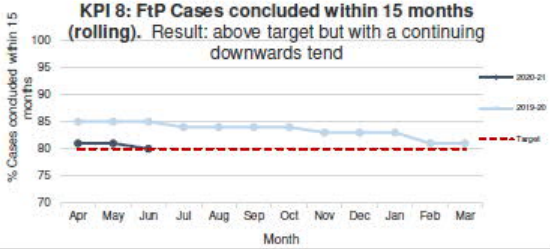
KPI 6: Registration Call Centre - calls answered. Result: above target

Commentary: The contact centre continues to operate above the target since becoming fully remotely operated since late March.

KPI 7: Orders within 28 days of opening case (rolling). Result: below target for the first quarter of the year

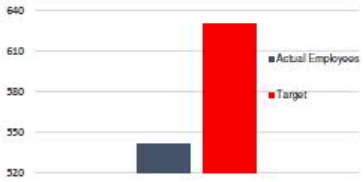
Commentary: A combination of very high caseloads and resource constraints led to the KPI being missed in April and May. We forecast that this will improve during the year.

KPI 8: FtP Cases concluded within 15 months (rolling). Result: above target but with a continuing downwards tend

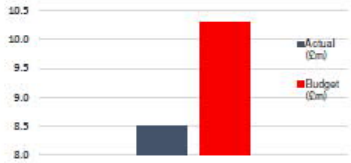


Commentary: As reported at the end of 2019-20, we expect this KPI to continue tending downwards due to the impact of Covid 19 and performance issues during 2019-20. A full discussion of our restoration plans is at annexe 1 - section 4.

9. PR FTEs in post (actual vs target) Result: below establishment



10: PR BAU Expenditure (YTD Actual v Budget) (£m) Result: below budget



11. Corporate risk (at June 20)

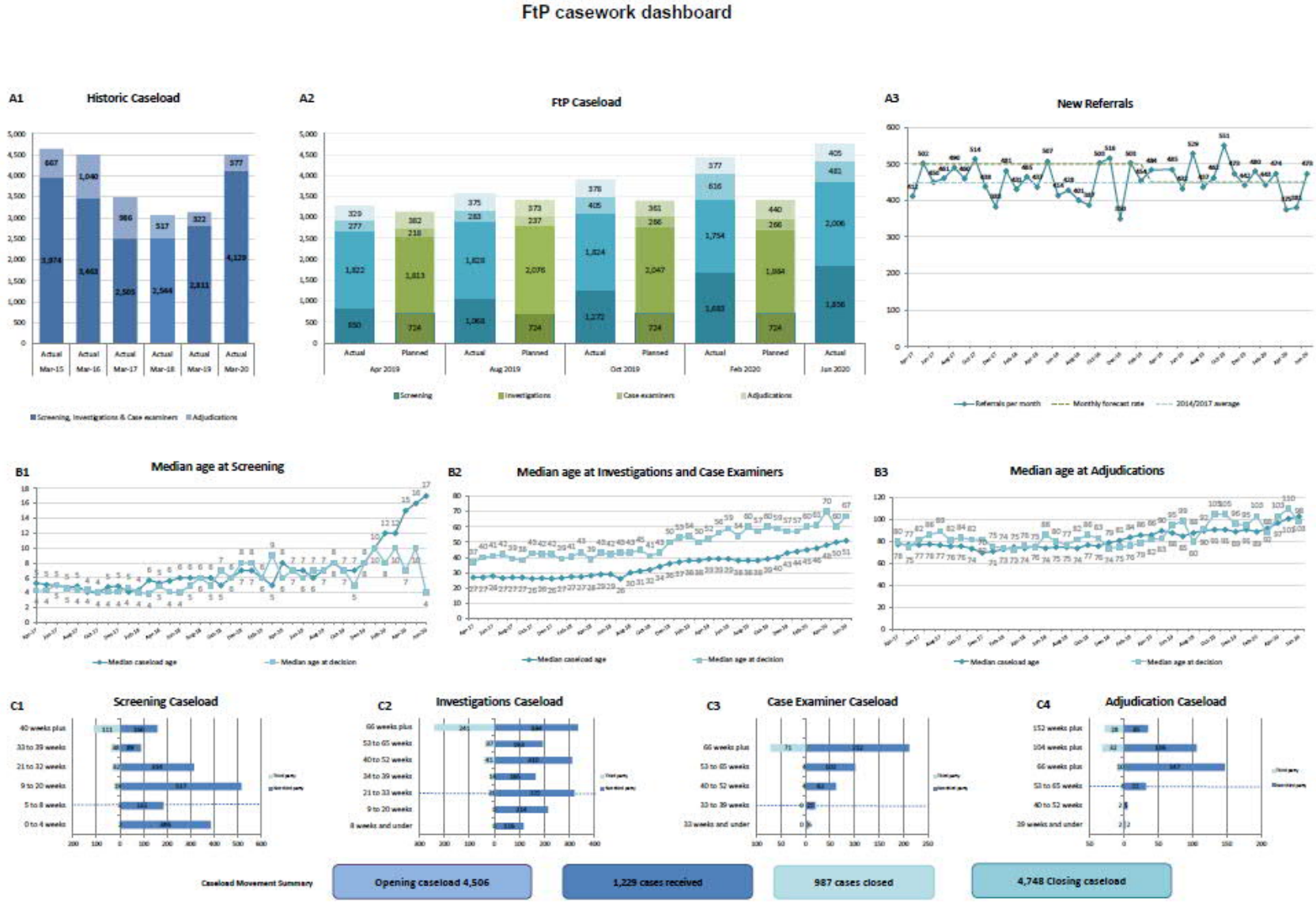
REG18/01: Risk that we fail to maintain an accurate register of people who meet our standards				
Likelihood	**Impact**	**L X I**	**Trend**	**Response**
3	5	15	Stable	Tolerate

12. Corporate risk (at June 20)

REG18/02: Risk that we fail to take appropriate action to address a regulatory concern				
Likelihood	**Impact**	**L X I**	**Trend**	**Response**
2	5	10	Stable	Tolerate

13. June 2020 Directorate Engagement Score = 7.4 (Target = 6.5)

Example 3 – Extract of performance report from NMC Council Meeting July 2020



A Review objectives, Risks & Scope

Terms of reference	
Objectives	The objectives of the audit are to 1) provide assurance that KPIs and performance reports, including data, currently reported to SMT and Council are accurately stated and can be supported with source information; 2) provide advisory support for ongoing work to improve KPI reporting with reference to current PSA standards and HCPC's wider strategic objectives; and 3) to assess whether there are effective, well governed and good project management arrangements with respect to the performance working group and internal management of PSA performance.
Key risk areas	• The number and planned areas of focus for proposed KPIs enable SMT and Council to have effective oversight of HCPC's performance. • KPIs are supported with sufficiently clear definitions and methodologies to assist in their calculation and review. • Actions planned by the performance working group are appropriate to address identified gaps in performance. • Actions planned by the performance working group are clearly assigned and monitored through to completion so that its objectives are met. • Controls are effective such that existing performance reports to SMT and Council are accurate and reliable, particularly relating to key areas of regulatory interest including Fitness to Practise and Registrations.
Scope	Although we will conduct some work to validate recently reported performance information to SMT and Council, as HCPC is currently reviewing its KPIs and performance framework our predominant focus will be to review planned future reporting arrangements.
Approach	The review will be undertaken mainly through MS Teams interviews of key staff, review of programme related documentation and seeking evidence to re-perform calculations for recently submitted performance information.

B Review definitions

Opinion/conclusion	
(Green)	Overall, there is a sound control framework in place to achieve system objectives and the controls to manage the risks audited are being consistently applied. There may be some weaknesses but these are relatively small or relate to attaining higher or best practice standards.
(Green-Amber)	Generally a good control framework is in place. However, some minor weaknesses have been identified in the control framework or areas of non-compliance which may put achievement of system or business objectives at risk.
(Amber)	Weaknesses have been identified in the control framework or non-compliance which put achievement of system objectives at risk. Some remedial action will be required.
(Amber-Red)	Significant weaknesses have been identified in the control framework or non-compliance with controls which put achievement of system objectives at risk. Remedial action should be taken promptly.
(Red)	Fundamental weaknesses have been identified in the control framework or non-compliance with controls leaving the systems open to error or abuse. Remedial action is required as a priority.

Any areas for improvement are highlighted with the key recommendations in the right-hand columns. The symbols summarise our conclusions and are shown in the far right column of the table:

Good or reasonable practice	
An issue needing improvement	
A key issue needing improvement	

Recommendation rating	
Priority ranking 1:	There is potential for financial loss, damage to the organisation's reputation or loss of information. This may have implications for the achievement of business objectives and the recommendation should be actioned immediately.
Priority ranking 2:	There is a need to strengthen internal control or enhance business efficiency.
Priority ranking 3:	Internal control should be strengthened, but there is little risk of material loss or recommendation is of a housekeeping nature.

C Staff consulted during review

Name	Job title
Jacqueline Ladds	Executive Director, Policy and External Relations
Claire Amor	Head of Governance
Katherine Timms	Head of Policy and Standards
Brendon Edmonds	Head of Education
Richard Houghton	Head of Registration
Laura Coffey	Head of FtP / Department Lead - Investigations
Gordon Dixon	Business Improvement Director
John Tallis	Assurance and Development Analyst

We would like to thank these staff for the assistance provided during the completion of this review.

FOR MORE INFORMATION:

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