Implementation of Audit Recommendations – Progress Report

Strategic delivery:	☐ Setting standards	☐ Increasing and informing choice	☒ Demonstrating efficiency economy and value

Details:

Meeting	Audit and Governance Committee
Agenda item	10
Paper number	[AGC (07/12/2016) 518 WEC]
Meeting date	7 December 2016
Author	Wilhelmina Crown - Finance & Accounting Manager

Output:

For information or decision?	Decision		
Recommendation	AGC is requested to review the enclosed progress updates and to comment as appropriate.		
Resource implications	As noted in the enclosed summary of outstanding audit recommendations		
Implementation date	As noted in the enclosed summary of outstanding audit recommendations		
Organisational risk	☐ Low	☐ Medium	☐ High

Report

1.1. This report presents an update to the verbal briefing given to this committee at its meeting in September 2016.

1.2. These recommendations were received and agreed for follow up action by this committee in September.

1.3. Recommendations are classified as high (red), medium (amber) or low (green).

1.4. Three new recommendations were received with one noted as medium and two as low.

1.5. Recent updates received from Action Managers are recorded under a November 2016 heading in this document.

1.6. Two recommendations are noted as completed with one due to be completed by end December 2016.

Recommendation

AGC is requested to review the enclosed summary of recommendations and updated management responses and to advise whether they have any comments or queries in respect of them.

Annex 1: Summary of Recommendations

Recommendation Source	Status / Actions	2015/16	Total
Internal – *DH Internal Audit*	*Complete*	*2*	*2*
	To complete	*1*	*1*
COUNT		*3*	*3*

FINDING/*RISK*	Recommendation	Agreed actions / Progress Made	Owner/Completion date
2015/16 – INTERNAL AUDIT CYCLE			
INCOME GENERATION			
1. **Follow-up procedures with those clinics that do not submit activity data could be more robust.**			
Clinics that have not submitted data to the HFEA for a period longer than one month are identified by the Head of Information and the Senior Network Analyst on a monthly basis. However, this is primarily to allow accurate accruals and deferrals of income to be made rather than to enable HFEA to identify clinics that may be having issues in submitting data. Some follow up is performed if a particular issue is noted, but this is on an ad hoc basis and there is no formalised process to follow-up all clinics to identify whether data should have been received.	The monthly report of clinics which have not submitted data for one month should be used as a basis to ensure that clinics have been, or are, contacted or otherwise checked to identify the reasons and any action that HFEA may need to take to resolve any issues. The reasons for any problems that clinics are experiencing should be documented and progress monitored. The record could be cross referenced to the IT support system ticket number(s) where the cause is an IT matter	Using the monthly report of clinics which have not submitted data for a month, a document will be created listing the clinics and the problems they are experiencing, the person responsible for resolving the issue and the status of the problem. This will be discussed in a monthly meeting with actions designated to appropriate individuals to resolve them and to contact the clinic as necessary. **November 2016 update:** Check has already been done for November. The appropriate Register SOP will be updated prior to December's, to enable monthly checking.	*Head of Information* **Date**: September 2016 billing run **End December 16**
2. **Review of the error report which identifies missing invoices is only performed quarterly and no evidence of this review is maintained.**			
It is our understanding that the Finance Manager generates an error report ("uspReport_ABSMissingInvoiceImages) on a quarterly basis to identify any missing invoices. However, this process is not evidenced. In addition, we suggest consideration be given to whether this control might more effectively be performed on a monthly basis so any omissions can be identified on a more timely basis.	Whilst we recognise that the last issue to be identified from the report was in February 2014, we suggest that consideration be given to generating and reviewing the report on a monthly basis to ensure that any missing invoices are identified in a timely manner. Evidence of the review should also be retained.	The exception report will be run on a monthly basis and the evidence retained. **November 2016 update** The action has been implemented and the exception report now forms part of the monthly billing process. **Recommendation Complete**	*Finance & Accounting Manager* **Date**: August 2016 billing run **COMPLETE**

3.	Action plans in response to the risks associated with transition of the billing process to the new Integrated Clinic Portal have yet to be identified.		
Risks relating to the Information for Quality (IfQ) programme are being identified and captured in a Risk Log, with specific owners, action plans and timelines, and the risks are discussed monthly during the IfQ programme board meetings. At the time we started our review, no risks specifically relating to the transition of the income process had been included within the log, but the Head of Information did add them during the course of our review. As with other risks, they were then due to be discussed at the next monthly board meeting where relevant action plans should be identified. Consequently, at the time of our review there were no plans in place to respond to these specific risks and while there is a formal process to ensure that this is addressed it is important that this is completed promptly to ensure actions are in place in good time to mitigate the risks that HFEA faces.	Whilst we recognise that there is a formal process in operation to ensure that risks are responded to and that the new Integrated Clinic Portal is not due to be implemented until the end of October, management should ensure that appropriate action plans are identified and implemented on a timely basis.	Action plans addressing the risks relating to the transition of the income process will be identified during the next board meeting. **November 2016 update** An options paper has been presented to and considered by the IfQ Programme Board and Senior Management Team. **Recommendation Complete**	*Head of Information* **Date**: September 16 board meeting **COMPLETE**