

**CENTRAL COAST LOCAL HEALTH DISTRICT**

**INTERNAL AUDIT PLAN 2016/17**

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***July 2016***

***CCLHD INTERNAL AUDIT UNIT***

## **Introduction**

The attached CCLHD Internal Audit Plan 2016/17 has been drafted for the consideration of the July 2016 meeting of the Audit and Risk Management Committee.

The Plan has been drafted following:

- Mapping the CCLHD Audit Universe against the risks recorded in the District's Risk Register as at June 2016. Note the risk register is incomplete as not all Divisions have migrated their risks to the new Risk Register.
- Internal Audit has conducted an independent risk assessment on each entity in the Audit Universe. This assessment along with the risk register has been used to forecast both audit priority and frequency of audits.
- Discussions with the Chief Executive, members of the Executive, key operational managers and the Chair of the Audit and Risk Management Committee.
- Assignments not completed on the 2015/16 Internal Audit Plan.
- Considering capital projects and systems implementations planned for the 2016/17 financial year.

## **Planning assumptions**

The following assumptions have been made in compiling the Internal Audit Plan:

- The annual Internal Audit includes reviews mandated by the Ministry of Health. These are: Corporate Governance; Procurement Cards and Activity Based Funding/Clinical Costing. The Activity Based Funding (ABF) Reviews and Corporate Governance Reviews have been included in the 3 year rolling Plan.
- Several of the reviews will require collaboration with Healthshare and eHealth.
- The 2016/17 Plan covers the period 1 July 2016 to 30 June 2017.
- The Plan for 2016/17 assumes 1 staff vacancy (Senior Internal Auditor) for quarter 1 with the Unit being at full strength from quarter 2.
- Each quarter an allowance has been made for 200 hours (800 hours annually) of work on special assignments. This will vary and in some cases may impact resources to complete Audit assignments.

ATTACHMENT 1

**Central Coast Local Health District**  
**Draft Internal Audit Unit - Plan 2016/17**

AUDITS	AUDITS TO COMMENCE				EST. HOURS
	QTR 1	QTR 2	QTR 3	QTR 4	
Corporate Governance	■				80
Efficiency and Fairness in Rotating Rostering Practices (including Nursing Payroll)					450
Fraud and Corruption Control Action Plan					60
Security over Applications hosted on CCLHD PCs					150
Clinical Coding Audit					150
Special Projects					200
Staff Specialist secondary employment and conflicts of interest review		■			200
District Network Return (Clinical Costing / ABF)					280
Security over Applications hosted on CCLHD PCs					100
Follow up reviews					80
Fraud and Corruption Control Action Plan					80
eMR Phase 1 Post Implementation Review					100
Special Projects				200	
Pathology - Service Level Agreement			■		120
Staff Specialist secondary employment and conflicts of interest review					150
Gosford Hospital					350
Woy Woy Hospital					100
Fraud and Corruption Control Action Plan					60
Information Security Management System (ISMS)					150
Medical Imaging Service and Reporting				120	
Special Projects				200	
Recruitment (Non -Nursing & Medical Officers)				■	150
Change Control (LHD Hosted Systems)					100
National Disability Insurance Scheme					120
Risk Management (TICKIT Roll out)					150
Maintenance Operations Gosford					120
Healthshare / eHealth Service Level Agreement & Charges					150
Fraud and Corruption Control Action Plan					60
P-card Review					50
Discharge Planning					120
Follow up Reviews					80
Special Projects					200
<b>TOTAL</b>					<b>4660</b>

## **Audit Objectives 2016/17 Internal Audit Plan**

### **Corporate Governance**

This is a compulsory annual review assigned by the Ministry of Health (MoH). The purpose of the review is to assess the systems of Corporate Governance in place across the CCLHD to enable the completion and sign off of the MoH "Corporate Governance Statement".

The review assesses the District's level of compliance against set criteria relating to:

- General governance and oversight
- Strategic and service planning
- Clinical governance
- Finance and performance management
- Professional and ethical conduct
- Stakeholder engagement
- Audit and risk management

### **Efficiency and Fairness in Rotating Rostering Practices**

To assess the level of skills across the District in preparing a roster that is fair and ensures the appropriate skill mix and staff levels to meet service demands and compliance with established staff to patient levels.

This review will be undertaken prior to the implementation of Health Roster to identify rosters skills across the District and areas that require special attention.

The review of rosters will also incorporate a review of Nursing Payroll. The Nursing Payroll review will assess the controls over the accuracy and completeness of data entry into ProAct for nursing staff. The review will also provide assurance on the effectiveness of controls to ensure:

- Payment is only made for work performed or where approved leave is taken.
- Payments are in accordance with the award and conditions.
- Overtime including fair allocation to staff
- Approval to work additional hours above contract.

### **Fraud and Corruption Control Plan**

To continue the implementation of the Fraud and Corruption Control Action Plan as approved by the ELT and Audit and Risk Management Committee.

### **Security over Applications hosted on CCLHD PCs**

This review will identify all the IT information assets hosted locally on CCLHD Personal computers. The information managed on these applications will be risk assessed in relation to degrees of sensitivity and criticality in meeting the District's business objectives. Those classified with high levels of sensitivity and criticality will be reviewed in relation to the following:

- System and logical access controls to verify the confidentiality, integrity and availability of information.
- Processes and procedures used to store, retrieve, transport and dispose of information assets.
- IT continuity and resilience (backups/restores, disaster recovery plan to determine whether it is controlled effectively.
- Change and release management practices to determine whether changes to systems and applications are controlled and documented.

### **Clinical Coding**

To assess the District's Clinical Coding function to determine whether structure and processes are in place to support the quality and timeliness of clinical coding. The review will include but not be limited to:

- Quality of coding (outsourced review).
- The coding audit regime and its effectiveness in improving the coding quality.
- Clinical reviews and interaction with clinicians to improve the quality of medical record documentation.
- The timeliness of clinical coding and performance against KPIs.

### **Staff Specialist conditions of employment and conflicts of interest Project**

The Internal Audit Unit will participate in a quality improvement project with Workforce, the Clinical Directors and the Directors of Medical Services. The review will cover the following:

- Secondary employment approvals.
- Potential conflicts of interest, including declaration and management of associated risks.
- Ensuring work arrangements for full time and part time staff specialists agree with the District's records and service requirements.
- Ensuring that processes are in place in the Divisions to accurately record leave taken.

### **District Network Return (Clinical Costing/ABF)**

To assess the LHD's compliance with the NSW Cost Accounting Guidelines. The audit will utilise the audit program developed by the ABF Taskforce and O'Connor Marsden & Associates. The Ministry of Health has nominated this as a mandatory audit to be conducted every 12 months.

### **eMR Phase 1 Post Implementation Review**

To assess the implementation of eMR2 Phase1 (electronic medical record) to determine:

- Whether the project deliverables identified in eMR Phase 1 have been realised.
- The overall success of the project and the impact on the Clinical services.
- To assess whether material project issues have been addressed.
- Determining whether business systems have been modified and all users trained to support the application functionality.

### **Pathology – Service Level Agreement**

To assess the service level agreement, controlling the provision of Pathology Services to the District to ensure:

- The document clearly defines and documents the level of pathology service required by the District.
- The District has performance indicators and management processes in place to monitor and address performance issues.
- That the District is being charged in accordance with the agreed SLA.
- That the third party provides adequate assurance that controls over clinical operations are properly designed and operating effectively.

### **Gosford Hospital**

To provide assurance as to the effectiveness of control systems to manage risks in a range of operational and administrative processes, including but not limited to:

- Patient admission and revenue systems
- The accuracy and completeness of performance data
- Control over S8 drugs
- VMO claims
- Complaints Management
- Time and attendance records and leave records
- Security Service
- Patient Money and Valuables
- Environmental Services performance
- Caring for the Coast.

### **Woy Woy Hospital**

To provide assurance as to the effectiveness of control systems to manage risks in a range of operational and administrative processes, including but not limited to:

- Control over S8 drugs
- VMO claims
- Complaints Management
- Patient Money & Valuables
- Work, Health & Safety
- Promote Fraud and Corruption awareness and Public Interest Disclosures.

### **Information Security Management System (ISMS)**

To provide assurance that Information Communication and Technology (ICT) has implemented, maintained and continually improved an Information Security Management System that meets the District's information security requirements. ISO27001 ISMS specifies the requirements for establishing, implementing, maintaining and continually improving an information security management system within the context of an organisation.

### **Medical Imaging Service and Reporting**

To assess the effectiveness of internal controls to manage risks associated with the delivery of imaging and reporting functions by Central Coast Medical Imaging. This will also review the Bureau Reporting facility.

### **Recruitment**

To assess the effectiveness of control systems to manage the risks associated with recruitment. The review will focus on ensuring that:

- Selection panel convenors have undertaken the required HETI recruitment training.
- Any potential , perceived or actual conflicts of interest between the panel and applicants are declared and effectively managed.
- The required checks are performed prior to appointment, particularly reference checks with the recommended applicants current manager.
- The timeliness, completeness and accuracy of appointment information is submitted to raise the successful officer on the payroll.

### **Change Control (LHD Hosted Services)**

To assess whether Information Communications and Technology (ICT) have formalized and documented processes over change management for:

- Change request
- Change authorization
- Testing
- Implementation, and
- Communication of changes to users.

### **National Disability Insurance Scheme (NDIS)**

The review will evaluate the Districts progress in establishing the governance framework to manage the risks and opportunities associated with the transition to the NDIS. This will include the establishing of billing processes to ensure the collection of revenue for services provided under the NDIS.



### **Risk Management (TICKIT Roll out)**

To assess the effectiveness of the Enterprise Wide Risk Management System implemented across the CCLHD. The review will examine:

- Compliance with the NSW Health Policy Directive PD2009\_039.
- The success of the District in establishing a risk management culture.
- The ability of the District's risk management system to identify and manage risks through the risk management cycle (analyse, evaluate, develop treatment plans and have an effective monitoring and review process).
- The maintaining of a comprehensive and flexible risk register that contains sufficient data to comply with NSW Health Policy and to facilitate the effective treatment of risk.
- Whether risk management has been integrated into the District's governance model (decision making / planning).

### **Maintenance Operations – Gosford**

The audit objective is to evaluate the effectiveness and efficiency of functions associated with the provision of maintenance services at Gosford hospital. The review will include but not be limited to:

- Evaluation of controls exercised over the purchasing of equipment and consumables
- Accountability over equipment and assets
- Management of BEIMS generated work orders
- Systems for scheduling preventative maintenance and statutory requirements
- Contract Management
- Attendance recording, sign off and payroll authorisation
- Overtime claims and management of overtime
- Claims and payment of allowances

### **Healthshare / eHealth Service Level Agreement & Charges**

To assess the service level agreements, controlling the provision of Health related, corporate and IT services to CCLHD by HealthShare and eHealth. The service level agreements will be assessed in relation to how they are governed, risk managed, controlled and monitored.

### **Procurement Cards (P-cards) Post Implementation Review**

To provide assurance that the business systems established to support the implementation of P-cards and the Expense Management System (EMS) have:

- Been implemented in accordance with the best practice guidelines as detailed in the NSW Health Procurement Card User Guide.
- Processes to ensure that all purchases on the P-card are approved and related to purchases required for LHD operations.
- Preventative controls to detect misuse or corrupt use of the P-card.
- Realised the efficiencies and cost savings identified.

*(MoH have directed that an annual audit of P-cards be performed)*



### **Discharge Planning**

To gain reasonable assurance that the District complies with the requirements of the NSW Health policy on the provision of discharge summaries to facilitate the management of the discharged patient by a General Practitioner, a GP Liaison Officer or another service.

### **Follow up Reviews**

To gain reasonable assurance that corrective action agreed to by management has been addressed and implemented or is in the process of implementation.

Central Coast Local Health District 3 Year Internal Audit Unit Plan								
AUDITS	AUDITS TO COMMENCE							
	2017/18	2018/19	2019/20					
Integrated Care Program	[Redacted]	[Redacted]	[Redacted]	[Redacted]				
District Network Return (ABF)								
Fraud & Corruption Prevention Activities								
Application Review CHOC								
Surgical Waiting List Management								
Divisional Financial Reporting								
Procurement <\$250K								
Drug and Alcohol Review (including methadone)								
Handover Management Review								
Payroll Medical Officers (JMOs etc)								
Corporate Governance								
Outpatient Clinics								
Systems Implementation - Incident Reporting System								
Business Continuity Management								
Cybersecurity Resilience Review								
Schedule 8 Drug Control - District Review								
Fundraising & Donations								
Operating Theatres Management								
Implementation Review - eMR2 Phase 2								
ICT Infrastructure and Operations Audit								
Clinical Technology Services								
Strategic Asset Management								
Highly Specialised Drugs								
Contract & Leasing Management								
VMO Payments & Management								
Mental Health Inpatient Services								
Wyong Hospital								
Special Projects								
Health Information Services					[Redacted]	[Redacted]	[Redacted]	[Redacted]
ICT Service Governance								
District Network Return (ABF)								
Operating Theatres, including utilisation, reporting, emergency and elective surgery								
Fraud and Corruption Health Check								
Draft 3 year Fraud and Corruption Control Plan								
District eMail Review								
Corruption Prevention Activities								
Roster Management & Sign off								
Pharmacy Services								
Research & Clinical Trials								
Corporate Governance								
Staff Specialist Payroll								
Strategic Asset Review								
Release of Clinical Information								
Long Jetty Hospital								
IT Asset Control								
Accident & Emergency Services								
Work Health & Safety & Injury Management								
Special Purpose & Trust Administration								
Fleet Management								
Payroll Non-Nursing								
Data Security (ISMS) Review								
District Security Service								
Major Capital Works								
Procurement Cards								
Accounts Payable								
Fixed Asset Management (>\$10,000)								
Nutrition & Dietetics								
Special Projects								
Patient Flow Management	[Redacted]	[Redacted]	[Redacted]	[Redacted]				
Professional Registrations & AHPRA Restrictions								
Budgeting & Financial Reporting								
Dental Clinics& Oral Health								
Applications on Cloud Computing Environments								
Locums and Agency Doctors								
Mental Health Services - Community								
Goods & Services Tax & Fringe Benefits Tax								
Clinical Product & Equipment Procurement								
Waste Disposal								
RCA & London Protocols								
Sterile Supply Department (SSD)								
District Network Return (ABF)								
Gosford Hospital								
Woy Woy Hospital								
Procurement Cards								
Corporate Governance								
Allied Health Services & Waiting List Management								
Community Nursing Services								
Payroll - Nursing								
Medical Imaging & Reporting								
Corporate Records Management								
Child Protection Services								
Inventory - Computer Equipment								
Aggression Management								
Contractor Orientation and Management								
Research and Clinical Trials								
Asbestos Management								
Special Projects								