The Internal Audit of Clinical Areas: Assurance or reassurance?

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May 2014
Minister of Finance Standing Directions 2.5, Internal Audit a direction is given that:

“Each Public Sector Agency must, unless exemption has been obtained, establish and maintain an adequately resourced independent internal audit function appropriate to the needs of the Public Sector Agency.”

Standing Directions of the Minister for Finance under the Financial Management Act 1994, P 29 Department of Treasury and Finance updated 2010
A Risk Management Partnership Project with VMIA

- based on the International Standards for the Professional Practice of Internal Auditing (Institute of Internal Auditors)
- Key Principles
  - Risk Based
  - Proactive
  - Independent
  - High Level of Governance and Assurance
  - Qualified Auditing Practitioners
Project Stages

• Stage 1 International Literature Review
• Stage 2 Development of a Framework
• Stage 3 Development and testing of Guidelines
Governance arrangements (modified from INCITE information, 2012)
Stage 3A: Developing Guidelines for the Internal Audit of Clinical Areas

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<table>
<thead>
<tr>
<th>Internal Audit</th>
<th>Clinical Audit</th>
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<tbody>
<tr>
<td>Examines clinical and non-clinical activity, systems and processes</td>
<td>Examines clinical processes and outcomes</td>
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<tr>
<td>Is carried out externally by independent professionals.</td>
<td>Is clinically led, and may be carried out by healthcare professionals and / or clinical audit staff</td>
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<tr>
<td>Selection of audit areas is risk based</td>
<td>Selection of audit areas may be driven by clinical interest and accreditation and only loosely related to significant risks</td>
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<tr>
<td>Assesses mechanisms of internal risk control within an organisation and feeds back into risk plans.</td>
<td>Measures clinical practice against agreed best practice standards</td>
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<tr>
<td>Internal audit programs are established over the medium term (3-5 years) with work-plans agreed annually.</td>
<td>May be an annual clinical audit program or audits may occur in response to an incident</td>
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<tr>
<td>Consistent approach according to Internal Audit Standards</td>
<td>Carried out in accordance with board approved clinical audit policy</td>
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<tr>
<td>Recipient of audit findings is the board</td>
<td>Recipient of audit findings is often internal committees or other interested internal parties e.g. unit manager</td>
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External Audit

Regulators

1st line of defence

Management Controls

2nd line of defence

including:
Risk Management
Compliance
Audit
Quality Improvement

3rd line of defence

Internal Audit

Senior Management

Board/ Audit Committee

Internal Sources of Assurance

External Assurance

Internal Sources of Assurance
1. Internal Audit planning
   - Developing a three year risk based program of internal audit
   - Developing annual internal audit work plan

2. Preparing for internal audit

3. Conducting an internal audit

4. Reporting and Monitoring
1. Internal Audit planning
   - Developing a three year risk based program of internal audit - strategic clinical risk identified and prioritised
   - Developing annual internal audit work plan - clinical expertise into clinical areas requiring internal audit

2. Preparing for internal audit

3. Conducting an internal audit

4. Reporting and Monitoring
Sources of clinical risk information

• External data:
  – Claims Data
  – Accreditation reports,
  – self assessment gap analysis
  – Peer review literature
  – policy directives, national safety goals, coroners reports, clinical registry reports

• Internal data
  – Areas of higher volume
  – Areas of higher risk
  – Consultation with clinical staff
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<td>Preparing for internal audit</td>
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<tr>
<td>- Appointing the internal auditor- appropriate audit team</td>
</tr>
<tr>
<td>- Identifying/developing the internal audit tool - clinical tool</td>
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<tr>
<td>- Agreeing individual internal audit plan – clinical managers</td>
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<td>Conducting an internal audit</td>
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<td>Reporting and Monitoring</td>
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Internal Audit Tool for Clinical Areas

4 sections

1. Quality Systems Evaluation
2. Clinical Process Evaluation
3. Clinical Data Review
4. Patient Record Review
Internal Audit Tool for Clinical Areas

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1. Quality Systems Evaluation
2. Clinical Process Evaluation
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<td>Individual scope of practice is periodically reviewed and defined</td>
<td>The scope of practice of individual staff in ED/UCC is documented and there is evidence of regular review</td>
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<tr>
<td>Risk identification and assessment occurs regularly</td>
<td>The ED/UCC undertakes the identification and analysis of risks (including clinical)</td>
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Internal Audit Tool for Clinical

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| Document/s support the prioritisation of patients in a timely manner | There is a current policy/procedure for patient triage which addresses the requirements for:  
• A uniform approach to undertaking the assessment of triage category  
• How to document triage category  
• Triage competency requirements for staff  
• Orientation to triage for all new staff |
Internal Audit Tool for Clinical

4 sections

1. Quality Systems Evaluation
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| Presentations/demand data is collected and analysed in the ED/UCC | Total presentations
Presentation by date of week and hour of day
Presentation by ambulance or self |
| Unplanned re-attendances are monitored and analysed             | Percentage of ED patients who have unplanned re-attendances within 48 hours       |
Internal Audit Tool for Clinical

4 sections

1. Quality Systems Evaluation
2. Clinical Process Evaluation
3. Clinical Data Review
4. Patient Record Review
   • General criteria for all patients
   • Specific criteria for high risk subpopulations
     e.g. for ED/UCC:
     – Altered conscious state
     – Acute coronary syndrome
     – Abdominal pain
     – Suicidal /self harm

General Clinical Processes Criterion

Frequency of monitoring occurred at reasonable time intervals (as appropriate to patient condition or as specified in ED/UCC protocol)?

Record of Medication prescribed in discharge plan
# Internal Audit planning

## Preparing for internal audit

- Preliminary meetings – with clinical managers
- Fieldwork - in unit with clinical staff
- Progress and End of Audit meetings – with clinical managers

# Conducting an internal audit

# Reporting and Monitoring
### Internal Audit planning

### Preparing for internal audit

### Conducting an internal audit

### Reporting and Monitoring

- Draft report for management response - clinical managers
- Final report to board via audit committee
- Monitoring Implementation of recommendations - role of quality committee
Stage 3B: Testing the Guidelines

Findings of the EGHS Trial Audit of Urgent Care Centre

Belinda Scott
Mario Santilli

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Pilot Process

- undertaken over two days with accredited internal auditor and emergency department physician
- scope of audit developed from audit tool
Pilot results

- Findings of rating of controls
  - 4 unsatisfactory level of controls
  - 5 improvement opportunities

- Of the 4 unsatisfactory controls
  - 3 high priority
  - 1 medium priority
EGHS had been accredited only 12 days prior to the trial internal audit of the UCC.

Why review UCC
- Project design to address high risk high claims areas
- In line with VMIA reduce total cost of risk
- EGHS high risk clinical area of concern
Quote from EGHS Board President relating to the value of the Clinical internal Audit.

“As the President of the Board at EGHS the Clinical Internal Audit conducted on our Urgent Care Centre has provided a greater level of assurance with regards to clinical governance responsibilities and importantly provided valuable information with regard to risk exposure. I am now provided with assurance that risk is being managed and that further risk treatments will be implemented.”

(Louise Staley EGHS Board President)
Next Steps

• Seeking funding for broader pilot to refine the framework, guideline and tool in a range of settings

• Development of further internal audit tools (e.g. obstetrics)

• Eventual distribution of tools and guidelines to all health services

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Key messages

• Clinical risk is significant organisational risk
• Internal audit is an independent risk based proactive approach
• Provides high level objective assurance for boards
• Rigorous process undertaken by qualified internal auditors (with clinical experts)
• Approach can be applied to any clinical area
For further information about the project please contact

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