



Government of **Western Australia**
Department of **Health**

Health Information Audit Practice Statement

Purchasing and System Performance

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1 Introduction

As System Manager the Department of Health (DoH) has established the Health Information Audit Team (HIAT) as a key component of quality and assurance within the Information and System Performance Directorate (ISPD).

The HIAT is authorised to carry out compliance monitoring activities under the authority of the Director General, pursuant to the section 175 of the *Health Services Act 2016*.

This audit practice statement provides information on the conduct and activities performed by the HIAT, including the purpose, principles, procedures and objectives of the audit program. Key responsibilities between the HIAT and WA health service entities during the audit process are also provided in this document.

This document is to be read in conjunction with the *Patient Activity Data Policy MP 0164/21* and other related and supporting documents.

2 Purpose of the audit function

The HIAT defines audit as the independent examination of source data against reported patient activity data to assess compliance with policies in the Information Management Framework. The purpose of the audit function is to provide objective assurance of the quality of patient activity data.

The HIAT is responsible for the development and maintenance of an audit framework and for measuring WA health service entities' compliance with relevant information management policies.

The HIAT is also responsible for:

- assisting with the risk assessment function within Information and Performance Governance (IPG)
- monitoring corrective actions and recommendations
- assessing requests for audits
- identifying potential audit engagements
- managing the information management framework audit function.

3 Scope of the audit program

The audit program measures WA health service entities' compliance with the Information Management Policy Framework and other relevant policies and acts. Assessment of compliance with other policy frameworks is out of scope for this program. The program includes scheduled and ad-hoc audits. The bi-annual audit plan will be provided in advance to WA health service entities where applicable.

Incidental findings noted during the collection of audit evidence which relate to other policy frameworks will be noted and referred to the relevant area of the Department for their consideration or action.

Audit findings and observations may be used to inform future audit planning, including targeted follow up audits.

The audits may take the form of on-site audits of medical records, remote audits of the digital or scanned medical record or desktop audits of patient activity data within Department data collections.

4 Our principles of auditing

Integrity – audits are conducted in a professional and ethical manner.

Confidentiality – information acquired during audits is kept secure and protected.

Independence – objectivity is maintained throughout the audit process and audit findings and conclusions are free from bias and based only on the audit evidence. To avoid perceived or actual conflicts of interest, auditors will be excluded from assessing compliance of data reported during a time in which they were employed at a site. Unavoidable impairment of independence will be disclosed by the Audit Team to the appropriate parties.

Concerns or queries related to perceived conflicts of interest may be directed to the Team Lead, HIAT in the first instance.

Evidence-based approach – systematic audit processes are used to reach reliable and reproducible audit conclusions.

Quality – audit processes are regularly reviewed to ensure efficiency and effectiveness.

Respect – the audit process is collaborative and requires respect from both the auditor and auditee.

Fairness – all audits are approached in a fair and constructive way.

5 Limitations

There are limitations to any audit. Audits are not an absolute guarantee of truth or reliability of auditee information or the effectiveness of internal controls. They may not identify all matters of significance. This is because audit techniques involve:

- use of reasonableness as a professional judgement
- use of sample testing
- materiality whereby absolute assurance is not provided.

The primary responsibility for the detection, investigation and prevention of irregularities and errors rests with the WA health service entities. The WA health service entities' management is responsible for maintaining adequate systems of internal control to comply with the Department's policy frameworks.¹

¹ Audit Practice Statement. Office of the Auditor General Western Australia. 2017.

6 Audit procedures

Audit topic selection – The audit topic will be selected after consultation with internal stakeholders and based on risk assessments against Department policies. Factors such as risk, context, coverage, impact and auditability will be considered.

Audit team selection – The audit team for each individual audit will be selected based on the auditor's skills and knowledge related to the audit subject area. Overall, the audit team will be competent to achieve the audit objectives. Responsibility for each individual audit will be assigned to a lead auditor.

Preliminary analysis – Any necessary preliminary data analysis will be performed, which will inform the audit plan.

Audit plan – The audit plan will be drawn up by the audit team and will include:

- audit scope
- audit objectives
- audit criteria
- location, date and expected duration of the audit
- audit methods
- results of preliminary analysis, where applicable
- roles and responsibilities of audit team members
- WA health service entity's responsibilities
- audit report distribution.

Establishing initial contact with the WA health service entity

Initial contact with the WA health service entity will be via a letter from the Assistant Director General, Purchasing and System Performance to the Health Service Provider's Chief Executive. The Chief Executive is expected to communicate this information to relevant staff members within the organisation, unless they have been included in the initial notification.

If the audit requires access to medical records, the custodian listed in the WA Health System Information Register will be contacted to request access to the medical record sample as well as further relevant contacts at the WA health service entity.

At this time, the following will be communicated:

- intention to audit including confirmation of authority to conduct the audit
- the audit plan
- confirmation of confidentiality procedures
- approximate start date and timeframe for audit
- discussion of location-specific requirements for access and security.

Where appropriate, the WA health service entity will be given opportunity to improve their compliance before the audit takes place.

Sample selection – the audit sample will be selected by the sampling method most appropriate to the particular audit. The following are some examples of sampling methods which may be used:

- entire population sampling
- random sampling
- quota sampling
- stratified random sampling
- targeted sampling.

To ensure relevance and value, where possible the audit sample will be selected from the most recent complete data available.

For on-site audits, the Department will provide the audit sample required for auditing to the WA health service entity at least two weeks prior to audit date.

Entry interview - at the commencement of the audit, the Department will arrange an entry interview with the WA health service entity's representative/s, where applicable. This may occur via telephone, videoconference, email or a face-to-face meeting. The entry interview may include:

- introduction of the audit team
- confirmation of the audit objectives, scope and criteria
- confirmation of the audit plan including audit methods
- opportunity for the WA health service entity's representative to disclose any factors which may affect the audit results
- confirmation that resources and facilities required by the audit team are available
- confirmation of matters relating to confidentiality and information security
- confirmation of relevant health and safety and emergency procedures for the audit team
- agreement of method and frequency of communication between Audit Team and auditee during the data collection phase of the audit
- information on the reporting of audit findings
- agreement to attend the exit interview.

Audit activities – The audit team will conduct the audit via the methods set out in the audit plan. Broadly, this will include collecting and recording audit evidence from the source/s, evaluating against the audit criteria and generating audit findings. Auditors may seek clarification and background information on audit observations from the WA health service entity during this period.

The audit team will communicate with the WA health service entity's representative when the collection of audit evidence has been completed. Preliminary audit findings may also be communicated at this time, if applicable, and next steps discussed.

Exit interview – Once the audit evidence has been collected and analysed and audit findings generated, the Department will arrange an exit interview with the WA health service entity's representative/s. This may occur via telephone, videoconference, email or a face-to-face meeting. The exit interview may include:

- presentation of audit findings
- discussion of audit findings which may be supported by an engagement summary or draft audit report
- discussion of draft audit recommendations and any applicable actions
- the method of reporting
- opportunity for the WA health service entity's representative to give feedback about the audit process.

Preparation and dissemination of the audit report - After analysis of the audit evidence by the audit team, the audit report will be drafted. The audit report will include:

- justification for auditing
- the audit objectives
- the audit scope
- a summary of the audit process
- the audit criteria
- the audit findings and related evidence
- where available, comparison with industry benchmarks and peer hospitals
- the audit conclusions and recommendations
- any agreed follow-up action plans
- audit report distribution.

The draft audit report will be sent to the WA health service entity for a written response to the audit findings and recommendations. Any response provided by the WA health service entity will be copied into the final audit report.

Once finalised, the audit report will be sent to the appropriate WA health service entity's representatives and Executive member for dissemination.

Post audit actions - After receipt of the audit report, the WA health service entity will be given opportunity to develop and discuss follow-up action plans and timeframes with the Department. The Department will monitor completion of actions and when indicated may undertake a follow-up audit or other assessment of whether an improvement in compliance has occurred.

Dispute resolution – It is recognised that WA health service entities will not always agree with all audit findings. Where disagreement arises, this should be discussed with the audit team at the time of audit or immediately after receipt of the draft audit report. Differences of interpretation of the Department's policy statements will be referred by the Audit Team to the subject matter expert (usually the Data Collection Custodian or the WA Clinical Coding Authority) for decision. If agreement is not forthcoming, the matter will be referred to the Director, Information and Performance Governance for further action.

WA health service entities may contact the Director, Information and Performance Governance with queries or feedback regarding the audit process.

7 Responsibilities

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- Follow audit program procedures as outlined in this document.
- Maintain patient confidentiality during the audit process.
- Any corrections required to data arising from the audit findings will be checked for completion 4 weeks post audit. Any cases not updated will be communicated to the WA health service entity prior to escalation to the Director, Information and Performance Governance.

WA health service entity's responsibilities

- Conduct their own regular data quality and compliance monitoring activities.
- Respond to notification of intent to audit within set time frames.
- Have complete medical records ready for the audit team by the audit date and notify the audit team of any missing records with proposed actions to rectify.
- Provide appropriate work space for the audit team.
- Ensure that any communication with the audit team during on-site audits is within the audit scope.
- Facilitate and participate in entrance and exit interviews, where applicable.
- Provide a written response to audit findings and recommendations with clear actions and timeframes.
- Where individual cases require updating post audit, the WA health service entity will update the cases and resubmit to the Department within 4 weeks of receipt of the audit report.
- Collaborate with the Department on follow-up action plans.

8 Quality assurance program

The Team Leader, Health Information Audit will undertake ongoing quality assurance of the audit activity including but not limited to:

- performance development of HIAT staff
- ensuring maintenance of technical competence by HIAT staff
- ongoing review of the effectiveness of the audit program
- review of completed audits including fieldwork and auditor competency
- assessment of external feedback
- implementation of improved practices.

The Team Leader, Health Information Audit will report to the Director, Information and Performance Governance on:

- status of audits
- progress and endorsement of the audit plan
- review of audit proposals
- status of audit recommendations and corrective actions
- areas of audit disputes or escalation
- inform on the quality assurance activities of the audit program.

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