1. Introduction

MedCo Registration Solutions' ('MedCo') IT portal facilitates the sourcing of medical reports in soft tissue injury claims under the 'Pre-Action Protocol for Low Value Personal Injury Claims in Road Traffic Accidents'. It allows registered medical experts, Medical Reporting Organisations ('MROs') and commissioners of medical reports to provide or commission medico-legal reports for RTA soft tissue injury claims.

The aim of the MoJ in introducing MedCo is to drive up operational standards and improve the quality of the initial medical evidence used in support of whiplash claims.

MROs who register on MedCo can be categorised as either:

- High Volume National MROs ('HVNs'), with the capability to service high numbers of clients with reports to agreed minimum standards and timeframes; or
- Regionally based MROs ('RBs') that service one or more local markets.

MedCo is committed to ensuring that MROs are properly constituted businesses with satisfactory systems and resources to operate to the minimum required standards. MedCo has therefore instituted an on-going audit programme against the revised MoJ Qualifying Criteria ('QC') issued on 25 October 2016 and accompanying MedCo Guidance ('Guidance') issued on 7 November 2016, applicable to:

- All existing MROs;
- All prospective new RB MROs, prior to being set to "live" status on the MedCo Portal via a two-stage audit process; and
- Applications for proposed re-categorisation from RB to HVN status, to evaluate the extent to which they meet the Additional QC (Table 2), prior to being re-categorised on the Portal.

2. Summary of Audit Process (New MRO Registrations only)

The new registration audit will follow the same principles and processes as in section 4, except that:

- The audit will be conducted in a two stage process. Stage 1 will be conducted at pre-registration, and if successful, Stage 2 after the applicant has been operational for either a set period or has received a set number of instructions, as determined by the MedCo Audit Committee; and
- A draft report will be produced at the end of each audit stage – an interim report at the end of Stage 1 and Final report at the end of Stage 2:
    - The Stage 1 audit RAG rating will be either RED or AMBER, as the MRO will not have been operational and so will be unable to demonstrate sufficient compliance to attain a GREEN rating.

3. Summary of Audit Process (Re-Categorisation only)

The re-categorisation audit will follow the same principles and processes as section 4, except that MedCo will perform a pre-qualification check first, to ensure that the MRO is eligible for such an audit. Eligibility refers to the MRO meeting the minimum volume of reports and minimum period for sustainability for the SLAs as set out in the Guidance. If these are not met, no audit will be performed.

4. Summary of Audit Process and Timelines

An overview of the key stages in the audit process is shown below.

***Terms of Reference** (TOR): This includes the timing and key contacts for the audit.

****On-site visit:** We will conduct at least one on-site visit during our audit fieldwork, the number of visits and duration dependent upon the evidence provided by the MRO.

*****Timing of on-site visit:** The timing of our on-site visits outside the range stated in the Audit Notice is non-negotiable, except in very limited circumstances, with any unavailability without good reason likely to be indicative of the MRO's inability to meet the QC and Guidance.

******Initial Findings meeting:** An informal findings meeting will be offered at the end of the on-site visit, where the Auditor will share details of the audit findings as at that point in time with the Auditee. This meeting will not constitute the sum total of all audit findings, as there may be outstanding queries to be resolved and further queries may arise once the work performed to date has been subjected to management review.

5. Audit Approach

MROs are free to operate in whatever manner best suits their business, as long as it complies with the QC and Guidance. As a result, there may be multiple different ways that MROs can satisfy the same criterion, which is why the MedCo Audit Team does not follow a prescribed approach to the audit. The onus is on each MRO to demonstrate that its way of operating complies with the QC and Guidance.

In that context, the MedCo Audit Team will:

- Evaluate the evidence provided by the Member through appropriate audit techniques, including MRO staff interviews, documentation reviews (including contractual arrangements with key suppliers / third parties), sample testing, data analysis and third party verification, from source to the end result;
- Assess the MROs' evidence for consistency with the MI available to the MedCo Audit Team from the MedCo Portal and its cumulative knowledge of MROs' activities gained through its audits;
- Check with respect to criterion 1.13 that the geographical coverage the MRO states it provides on the MedCo Portal is substantiated by its capabilities, such that it is not undermining the random allocation model by taking up presentation slots that it cannot realistically deliver on if selected; and
- Apply the standards of evidence set out in the general principles section of the Guidance; further guidance on these are set out in the next section.

MROs should have relevant resources (systems, staff and documents) available. For clarity, the MedCo Audit Team is not authorised to provide advise to assist MROs in meeting the QC and/or Guidance.

6. Audit Evidence

This section provides guidance to MROs on preparing their evidence to put themselves in the best position they can to demonstrate that they meet the QC and Guidance.

1) Evidence is sought that the MRO meets the QC and Guidance at the time of the audit and that it can sustain this performance going forward. Evidence for the latter is based on past performance over a maximum of the previous two years. Where revised QC take effect within this timeframe, the revised QC are not applied retrospectively, but the period prior to the revised QC taking effect still provides relevant evidence as to the MRO's ability to meet the revised QC in the future.

2) MROs' records may range from fully manual to fully automated. The nature of the systems has no bearing on the outcome of the audit, as long as the MRO can still provide the required evidence.

3) **Raw data** (e.g. lists of dates instructions were sent to medical experts) that has been analysed and interpreted (e.g. to show if medical reports are on time or overdue) constitutes **information**.
   - If a MRO provides only **raw data** to the MedCo Audit Team not only will that be considered a failure to provide any audit evidence, but that act itself will be deemed substantive evidence that the MRO does not know whether it meets the relevant qualifying criterion or not, which would be considered a breach of the Ethics Policy; and
   - If a MRO provides relevant **information** it is prima facie evidence, but will only be substantive once the MedCo Audit Team has checked (through sampling of otherwise) its veracity to the original source data. MROs must be able to explain and demonstrate how that information was derived, otherwise the information will be unsubstantiated and not constitute evidence.

4) Information provided should be based on complete and comparable data sets e.g. a full year. Data provided on a selective (e.g. best 6 months), partial (e.g. 25% of instructions) or random basis will be insufficient and unreliable evidence, Genuine one-off (not recurring) anomalies can arise from time to time and may be excluded where this occurrence and the effect is disclosed. The onus is on the MRO to demonstrate to the MedCo Audit Team's satisfaction that it was fair and appropriate to exclude them.

5) Disclosure of information that is, or could be, material to the audit should be clearly, explicitly and fairly communicated to the MedCo Audit Team in good time. Where the MRO discloses such information through inappropriate communication methods (e.g. below), it will not be considered to have been disclosed and may also be considered a breach of the Ethics Policy by the MRO:
   - Through implication, as a throwaway comment or inappropriate timing e.g. as meetings end;
   - In large documents with the key clauses buried in them and no indication of this; and
   - By swamping the auditors with irrelevant documentation that then obscures relevant documents.

6) The MRO will be asked to provide a management representation letter i.e. on the MRO's headed notepaper, addressed to the MedCo Audit Team, dated and signed by at least one MRO Executive Director and provided at the latest one week after the on-sits visit stating unambiguously whether:

   a) the MRO's Executive Directors and/or senior management:
      i. Are aware of the MoJ's policy intentions in regard to MedCo;
      ii. Have read the applicable QC and the MedCo Guidance;
      iii. Have conducted their own review of the MRO's operations to assess compliance against the QC and Guidance. If so, the conclusions of this review should be clearly summarised; and
      iv. Have fully disclosed and neither withheld from, nor misrepresented to, the MedCo Audit Team any information that could be material to the evaluation of any individual QC criterion.

   b) the MRO:
      i. Is independent of any other MRO or non-MRO organisation that services MROs. Any potential connections or relationships that could be seen to compromise the MRO's ability to operate independently, and the nature of them, should be listed; and
      ii. Is part of a common third party ownership model and one or more MROs are within the overall ownership structure. If so, all the MROs in the structure should be disclosed and their role within the structure, in particular the extent to which they operate as standalone entities.

   Failure to provide the management representation letter in whole or part by the time the draft audit report is issued will compromise all evidence provided by the MRO i.e. it will be insufficiently reliable and unsubstantiated, as MRO management do not formally stand behind it. Should any statements in the management representation letter subsequently turn out to be materially incorrect in the opinion of the MedCo Audit Committee or MedCo Board, this will constitute evidence of multiple breaches of the Ethics Policy.

7) When assessing compliance with the QC and Guidance, the MedCo Audit Team will look to assess the extent to which control and decision-making ('CDM') in key areas reside within the MRO rather than with a third party, both legally and in practice. For example, if legally CDM reside with the MRO but in practice they lie with a third party whose decisions the MRO merely rubber stamps, the MedCo Audit Team will consider CDM for that activity to reside with the third party. CDM in the key areas set out in the QC and Guidance supports the MRO's position as an independent, fully functional entity.

7. Audit Reporting

At the end of the audit fieldwork a draft report will be produced that sets out the extent of compliance by exception, together with any recommendations for improvement. The MRO will be asked to confirm factual accuracy and provide management responses, after which the report will be finalised and issued to the MedCo Audit Committee and the MRO's nominated contacts.

Each report will be RAG rated (see table below), at the MedCo Audit Committee's request, to reflect the MedCo Audit Team's opinion on the MRO's degree of compliance. The MedCo Audit Committee then reaches its own opinion based on the information in the audit report. It in turn submits its findings to the MedCo Board for approval. MedCo enforces its own rules to ensure that no-one that has a conflict of interests sits on the Audit Committee or has access to any of the individual MRO audit reports or results.

Audit Report RAG Ratings
Fully compliant: The available evidence indicates that all relevant criteria are being met.
Substantially compliant: Most evidence required to indicate compliance is available, with some minor additional actions needed to demonstrate full compliance.
Partially compliant: Lack of key evidence in several areas indicates that the relevant criteria have not been met.
Substantially non-compliant: Significant lack of key evidence indicates minimal or non-compliance with most or all relevant criteria.

The MedCo Audit Team will seek open communication with the MRO's nominated contact(s) throughout the audit. However, to avoid undue delay, the MedCo Audit Team reserves the right to issue draft reports as final (with accompanying explanatory notes) where the overall audit rating is RED or AMBER and:

- Appropriate co-operation from the respective MRO, in the opinion of the MedCo Audit Team, has not been forthcoming or timely; or
- Where there is disagreement, such that an "agree to disagree" version of the report is issued.

The audit report will not make any comment on what action should or should not be taken by MedCo as a result of any areas where a MRO may not be compliant. Such actions are a matter for the MedCo Audit Committee and MedCo Board to determine.

8. Contact Us

Please feel free to either contact the MedCo Audit Team regarding any questions you may have by email at MedcoAudit@mib.org.uk or telephone on 0345 165 2830.

Lead Auditors:
Gary Griffiths – ggriffiths@mib.org.uk
David Barrett – dbarrett@mib.org.uk
Nick Wilbraham – nwilbraham@mib.org.uk
Chris Baston – cbaston@mib.org.uk
Thomas Prickett – tprickett@mib.org.uk
Samson Duke – sduke@mib.org.uk
Clare Hamilton – chamilton@mib.org.uk

Audit Manager:
Rowan Waller – rwaller@mib.org.uk