

14 September 2022

HCPC Internal and External audit recommendations tracker

Executive Summary

This report provides the Committee with progress updates on the implementation of recommendations arising from Internal and External audits. In addition, any significant Quality Assurance recommendations and recommendations arising from ISO standard audits will be added.

Recommendations which have been implemented have been removed from this report. The original numbering of recommendations has been retained.

Please refer to individual internal audit reports for the background to recommendations.

Previous consideration	This is a standing item considered at each meeting of the Committee.
Decision	The Committee is asked to discuss and note the report.
Next steps	The next report will be received in November 2022
Strategic priority	All
Risk	All
Financial and resource implications	None as a result of this paper.
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ELT Sponsor	Claire Amor, Head of Governance claire.amor@hcpc-uk.org

Internal Audit report – Education Standards (considered at Audit and Risk Assurance Committee 9 June 2022)

Recommendations summary

Priority	Outstanding recommendations	Status
High	0	Overdue 1
Medium	1	Not yet due 0
Low	2	Completed 2



Recommendation / Priority (RAG)	Management response	Timescale/Responsibility	Completion Date/Status	Current Commentary	Commentary log
<p>1 Key Risk Area 1: Suitable organisations are appointed to deliver educational programmes</p> <p>HCPC should continue to keep the standards under review and provide an annual update to the Education and Training Committee highlighting any issues which have arisen that could prompt an interim review mid-cycle.</p>	Action: Develop an annual reporting mechanism to highlight any issues that could prompt an interim review of the Standards to the Education and Training Committee.	Action Owner: Head of Policy, Standards and Strategic Relationships Completion date: 31/08/2022	Revised date 31 December 2022	Early planning for SETs review not due until the end of the year.	N/A
<p>2 Key Risk Area 2: Qualifying programmes & teaching methods are appropriately approved</p> <p>HCPC should introduce refresher training for the panel of partners to remind them of the process and what is required of them at the start of each review.</p>	Action: Build step into process points for lead case exec to run through purpose of the process, and the ask of visitors	Action Owner: Head of Education Completion date: 31/08/2022		Process step added to undertake initial meeting with partners once selected, to discuss process intentions and any key information about the assessment	N/A
<p>3 Key Risk Area 4: Handling curriculum inadequacies for approved programmes</p> <p>HCPC should create a list of a range of sources of third party information, such as satisfaction surveys, to help identify whether individual course provision within approved Learning Providers meets acceptable standards.</p>	Action: Exploration of further data sources through existing Education workplan items, including National Education Training Survey results, professional body insight, other sector body insight	Action Owner: Head of Education Completion date: 31 August 2022		Further data supplies explored, with National Education and Training Survey (NETS), and direct delivery of HESA data - plan in place to deliver. Moving forward to formalise information sharing arrangements with a number of early adopter professional bodies and commissioning organisations	N/A

Internal Audit report – Registration Payment Process (considered at Audit and Risk Assurance Committee 9 June 2022)

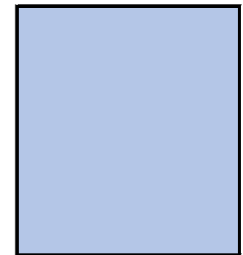
Recommendations summary

Priority	Outstanding recommendations	Status
High	0	Overdue 0
Medium	2	Not yet due 1
Low	0	Completed 1



Recommendation / Priority (RAG)	Management response	Timescale/Responsibility	Completion Date/Status	Current Commentary	Commentary log
<p>1 Key Risk Area 2: Systematic issues from the 2020/21 financial reporting exercise have been cleared</p> <p>HCPC should continue to provide regular updates to its leadership team and Council on addressing identified finance issues.</p>	<p>We are continuing to provide frequent progress updates via monthly directorate reports, project board meetings and also as part of ELT/Council meetings, both formal and informal.</p>	<p>Action Owner: Alan Keshtmand (Head of Finance)</p> <p>Completion date: N/A</p>		Completed/Continuing	N/A
<p>2 Key Risk Area 2: Systematic issues from the 2020/21 financial reporting exercise have been cleared</p> <p>A long-term solution systems-based solution should be introduced which eliminates, as much as reasonably practicable, the requirement for complex monthly reconciliations and manual journal postings to HCPC's finance system.</p>	<p>Paper submitted to Exec Team stating that a retender will be undertaken to ensure we are covered by the correct CCS Framework agreement and a staggered project implementation approach, as we have an existing platform and partial implementation from which to build on. In the interim, we are close to completing our manual income reconciliations with a level of automation introduced within our files to produce expected revenue, based on our fee structure, which is dependent on the specific renewal cycle and also the type of applicant/registrant (UK or International). This is then compared against the amounts in Business Central and any differences are investigated and, thereafter, corrected within Business Central and/or Customer Engagement (CRM system). Once all corrections and adjustments are made, a final summary check will be carried out to ensure total amounts in BC versus total amounts for expected revenue match. Our reconciliation files will hold data on an individual basis, which will enable us to provide detailed backing of our recognised income and deferred income to audit.</p> <p>We have set a deadline for potential suppliers to submit their bids to undertake the Business Central Reimplementation Project by 10th June.</p>	<p>Action Owner: Trevor Corbitt (Systems Accountant and Project Lead)</p> <p>Completion date: 10 June for receipt of bids, timescales</p> <p>Date for a single finance system - 31 March 2023.</p>		<p>The retendering process has now been completed and a preferred supplier identified. Contract negotiations are under way and initial steps towards formulating a project plan have commenced. The objective is to have a single finance system in place by 31 March 2023. Data cleansing of the existing system is ongoing.</p>	N/A

Internal Audit report – HCPC Intelligence Gathering (considered at Audit and Risk Assurance Committee 10 March 2021)
 Internal Audit report – Follow up of recommendations (considered at Audit and Risk Assurance Committee 11 June 2022)
 Recommendations summary



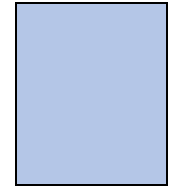
Priority	Outstanding recommendations	Status
High	0	Overdue 1
Medium	1	Not yet due 0
Low	0	Completed 0

Recommendation / Priority (RAG)	BDO's follow up review findings	Timescale/Responsibility	Completion Date/Status	Current Commentary	Commentary log
<p>4 Key Risk Area 1: Strategy and Governance 1.2 Data strategy – data platform approach</p> <p>Decisions need to be made formally on what data analysis work is done using the front line systems such as registration & FtP and that drawn from the new data platform. Some data may be available 'self-service' and other will need analysis work.</p>	<p>In Progress - The initial priorities for the Insight and Intelligence function have been defined in the Insight and Intelligence Framework approved in September 2021. We reviewed the approved Insight and Intelligence Framework document and the meeting minutes for the September 2021 Council meeting that showed the evidence of approval. A Council seminar was held on 7 April 2022 to receive and discuss analysis of FtP and EDI data to date. We reviewed the presentation pack for this seminar. We reviewed the data analysis document in relation to FtP and EDI presented to the Council Seminar on 7 April 2022. This is in line with the initial management response in relation to analysis of EDI and FtP.</p> <p>However, Management should establish a plan to develop the CPD analysis for this recommendation to be fully implemented, in addition to the analysis about EDI and FtP data.</p>	<p>Completion date: End of Q4 2021</p> <p>Responsible Officer: Geoff Kirk (Head of IT & Digital Transformation) / Naomi Nicholson (Executive Director of Professional Practice & Insight)</p>		<p>An investigation has been undertaken into the current approach to CPD reporting which concluded there was no need to alter the approach until such time as the wider CPD policy review has been undertaken. An updated version of the FtP and EDI analysis is expected to be presented to ELT in September.</p>	N/A

Internal Audit report – Safeguarding controls (considered at Audit and Risk Assurance Committee 9 March 2022)

Recommendations summary

Priority	Outstanding recommendations	Status
High	0	Overdue 1
Medium	3	Not yet due 3
Low	1	Completed 0



Recommendation / Priority (RAG)	Management response	Timescale/Responsibility	Completion Date/Status	Current Commentary	Commentary log
Committee note (March 2022): The Committee commented that the report was helpful and provided some good assurance. Whilst some of the management actions were reported as being contained in workplans and therefore completed, the Committee agreed that those actions should remain active in the recommendation tracker with implementation dates until completed.	N/A	N/A	N/A	N/A	N/A
3 Key Risk Area 1: Controls to identify and assess safeguarding risks In addition to the warnings provided at initial and reregistration, we recommend that within the declarations section of the form, applicants are made aware that the failure to disclose relevant information could be treated as dishonesty and result in an FtP investigation more serious than the matter not declared from the outset.	Action: Review the declarations section of the form to make the guidance more prominent with regards to consequences of making false declarations.	Action Owner: Richard Houghton Completion date: 30 April 2022		The declarations section has been reviewed and the form will be updated with the revised wording by the 30 September 2022	Commentary History See Appendix 1 or [PRESS]

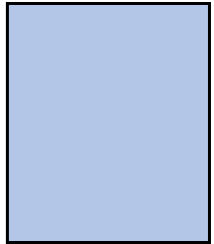
4	<p>Key Risk Area 2: Guidance to registrants on standards and safeguarding risks</p> <p>HCPC should develop a suite of safeguarding materials aimed at assisting registrants manage key safeguarding risks which they may encounter during the course of their professional roles. These materials should be readily available to registrants through HCPC's website. This should be benchmarked against the safeguarding materials provided by other healthcare professions regulators.</p> <p>HCPC should also consider delivering specific safeguarding guidance sessions as part of the programme of Professional Liaison Service webinars.</p>	<p>While we have materials relevant to safeguarding (eg #MyStandards webinars) these are not readily accessible or specifically flagged as safeguarding materials. There is an opportunity to review our materials and update/improve them via the planned review of our Standards of Conduct, Performance and Ethics, due in 2022/23.</p> <p>Action:</p> <p>(1) Add to 2022/23 Policy and Comms team workplans.</p> <p>(2) Add safeguarding to 2022/23 Prof Liaison event programme.</p>	<p>Action Owners:</p> <p>Emma Leary (Head of Policy),</p> <p>Kellie Green, (Head of Professionalism),</p> <p>Tony Glazier (Communication s Lead)</p>		<p>Policy - Review/updating of safeguarding materials to be included within SCPE guidance review. Work to commence on the guidance review in Q3/Q4 2022.</p> <p>KG - #myhpcstandards webinar on safeguarding will be held on 21 September 2022</p> <p>TG – Promoting and supporting #myhpcstandards webinars, including those on safeguarding. Review and updates to safeguarding content in 2022/23 comms workplan.</p>	<p>Commentary History See Appendix 1 or</p> <p>[PRESS]</p>
5	<p>Key Risk Area 3: Responding to complaints or referrals relating to a registrant's conduct</p> <p>The Case Management Manual document should be formally reviewed and updated to ensure that it accurately reflects the latest case management processes.</p> <p>As part of this review, specific guidance on identifying safeguarding concerns should be detailed within the document. This could be done by also making reference to HCPC's internal Safeguarding Policy.</p>	<p>Action:</p> <p>The Case Management Manual is in the process of being replaced with a series of Best Practise Standards (BPS). This includes a BPS on Risk Assessment.</p> <p>Developing FtP approach and guidance on safeguarding referrals for the wider team is a workplan activity for 2022-23.</p>	<p>Action Owner:</p> <p>Laura Coffey</p> <p>Completion date:</p> <p>BPS development and go live by end of April 2022</p> <p>Safeguarding procedure for FTP development, training and roll out by end of Q3 2022-23.</p>	<p>Best Practice Standard on Risk Assessment is live</p>	<p>Next phase of work due to commence by the end of Q3.</p>	<p>Commentary History See Appendix 1 or</p> <p>[PRESS]</p>

<p>6 Key Risk Area 4: Controls to identify safeguarding issues identified through DBS</p> <p>HCPC should explore the feasibility of having a formal relationship with Disclosure Scotland as it currently has with the DBS, whereby the DBS proactively alerts the HCPC of registrants who have been arrested or convicted for a serious criminal offence.</p>	<p>Action: The DBS covers both England and Wales and NI. We do have a relationship with Disclosure Scotland and receive information from them, but we do not have a formal MOU with them. The feasibility of implementing a formal relationship will be explored.</p>	<p>Action Owner: Roy Dunn Completion date: 31 July 2022</p>		<p>The Disclosure Scotland template has been populated by HCPC, and we await a final version for validation and signature.</p>	<p>Commentary History See Appendix 1 or [PRESS]</p>
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Internal Audit report – Financial Modelling (considered at Audit and Risk Assurance Committee 16 September 2021)

Recommendations summary

Priority	Outstanding recommendations	Status
High	4	Overdue 6
Medium	2	Not yet due 0
Low	0	Completed 0



Recommendation / Priority (RAG)	Management response	Timescale/Responsibility	Completion Date/Status	Current Commentary	Commentary log
<p>1 Key Risk Area 1: Financial modelling spreadsheets are supported by detailed guidance</p> <p>HCPC should prepare a detailed guidance / technical document for the Budget Costs Model, in the same way as prepared for the Income Model.</p> <p>The preparation of this document should support the already existing flow charts within the model itself, and focus on how the model technically operates. This will support ensuring that the Business Central system performs the same functions (as these will be documented and so can be checked) and, in the event to delays to the implementation of Business Central's functions in this area, support the ongoing operation of the model if needed.</p>	<p>The instructions tab was part of the design of the budget costs model as it was intended as a short-term reporting fix until the variance analysis could be built-into the financial accounting systems. It was the intention that the budget reporting function within the Business Central system could be used as part of the consolidation of finance systems.</p> <p>If the financial accounting systems have not got the required functionality by the end of the 21-22 financial year, then we will need to assess the validity of using the model.</p> <p>Action: Recommendation to be reviewed in Q4 FY21/22 in light of progress on systems developments.</p>	<p>Head of Finance</p> <p>Due: February 2022</p>	<p>Revised completion date: March 2023</p>	<p>We have a designated Project Manager assigned to the BC Reimplementation Project with key finance resources to provide requirements, which will include the management reporting functionalities that will be closely linked to the finalisation of a revised Chart of Accounts. KPMG have been selected as the preferred supplier and contract negotiations are currently underway with the aim of implementing the system by March 2023.</p>	<p>Commentary History See Appendix 1 or [PRESS]</p>

<p>3 Key Risk Area 3: Methods and approach to identifying and allocating costs within the Cost Model</p> <p>HCPC should develop and introduce a costs forecasting model which estimates its costs into future years. This model should be designed to complement the Income Model and set out key assumptions and variables, each of which can be independently configured.</p> <p>Each year a financial planning exercise should be undertaken where both the income and costs models are updated with their latest assumptions with the outputs presented to Council for review. These should also be subjected to sensitivity analysis / stress testing so that HCPC can identify which variables have the greatest impact on the organisation's financial health.</p>	<p>The recommendations are outside the design scope of the budget cost model. The development of a robust cost model, particularly for FTP, is a priority given that FTP cases can take a few years to conclude.</p> <p>Action: The Exec Director of Corporate Services, when appointed will need to review the complete budgeting process.</p>	<p>Executive Director of Resources and Business Performance</p> <p>Due: Dec 2021</p>	<p>revised completion date: October 2022</p>	<p>The Senior Finance Business Partner will be heading the monthly forecasting meetings and will tailor the current model to generate accurate income figures for reporting. The high-level handover has taken place as part of the Q1 Forecast. Going forward, a new model is being produced to factor in additional scenarios and assumptions.</p>	<p>Commentary History See Appendix 1 or [PRESS]</p>
<p>8 Key Risk Area 5: Inflationary assumptions are appropriate and represent a fair estimate of increases and decreases to key variables</p> <p>HCPC should model a modest fee increase within the Income Model to aid the model more accurately predict income. This can either be estimated using an agreed inflationary assumption (accepting that HCPC's fee rules do not use this) or by modelling a flat increase after a certain period of time (for example every five years).</p>	<p>The income model was designed to model specific fee scenarios being proposed. It is a priority for Council to have a Fee Strategy in place and this requirement is linked to delivering the understanding of the impact of Fee Increase Options.</p> <p>Action: Continue to develop and refine the Options Analysis function.</p>	<p>Head of Finance</p> <p>March 2022</p>	<p>revised completion date: October 2022</p>	<p>We are now in the formal consultation phase of the income fee rise proposal. Worst, middle and best case scenarios were put together as part of the proposal and finalisation of the consultation document. The work also suggested the implementation of an inflationary rise to fees, which will bring us regular incremental increases without the need for formal consultations in the future.</p>	<p>Commentary History See Appendix 1 or [PRESS]</p>

<p>9 Key Risk Area 6: Financial model updates timely and accurate</p> <p>The way in which data is exported from the new Business Central system should be assessed in the context of obtaining information in a format capable of easy uploading into the Income Model to keep its information as up-to-date as possible.</p> <p>Where a technical solution is being developed, an interim process should be introduced to facilitate keeping the Income Model updated with live performance data. A consistent approach should be decided upon, documented and then followed to resume the practice of updating the Income Model on a monthly basis.</p>	<p>The Income model was built prior to the new Registration System go-live and therefore was built to accept NetRegulate data. The development of the Registration System export / model input routines need to be completed.</p> <p>Action: Aligned to completing the model development.</p>	<p>Head of Finance Feb 2022</p> <p>Revised completion date: October 2022</p>	<p>revised completion date: October 2022</p>	<p>See (1) above</p>	<p>Commentary History See Appendix 1 or [PRESS]</p>
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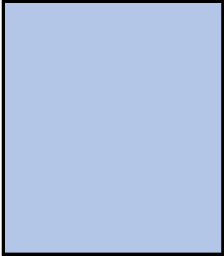
Internal Audit report – Follow up of recommendations - Financial Modelling (considered at Audit and Risk Assurance Committee 11 June 2022) - Financial Modelling

Recommendation / Priority (RAG)	BDO's follow up review findings	Timescale/Responsibility	Completion Date/Status	Current Commentary	Commentary log
<p>4 Key Risk Area 4: Income assumptions are reasonable and supported by detailed workings and independent approvals</p> <p>Registration behaviours for different professions should be reviewed annually with reference to supporting evidence and set for each specific profession rather than a generalised approach for all professions.</p>	<p>In Progress - The Registrant forecast working group meets on monthly basis. It includes the Head of Registration, Head of Education, Head of Financial Planning & Analysis, Head of Insight & Analytics, Communications & Digital Lead, CISRO. The group is informal and seeks input from other bodies around international recruitment plans, or any changes to UK graduate output in registrable professions. It occurs every second Tuesday of every month. We reviewed the recurring meeting invitation and agenda. The latest working group meeting occurred on 12 May 2022, we were advised that the group reviewed the final registrant numbers of the financial year and checked back to assumptions and how variation occurred. Due to the fact that there was not formal meeting minutes for the working group, we reviewed the record of meeting attendance and the internal meeting notes taken down by the CISRO. Once the report is presented to the ELT, this recommendation should be considered fully implemented.</p>	<p>Responsible Officer: Roy Dunn, CISRO</p>		<p>A draft report for ELT has been produced. This will be shared with the rest of the Registration Forecasting group on 13th September, before going to the next available ELT meeting.</p> <p>The Reg forecast has been handed over to the Finance dept to maintain. CISRO has provided documentation and several hours support on the model as Finance get to grips with it.</p>	<p>N/A</p>

<p>6 Key Risk Area 4: Income assumptions are reasonable and supported by detailed workings and independent approvals</p> <p>Key financial inputs and inflationary assumptions should be subjected to an annual review and approval process by HCPC's EMT in advance of the model being updated.</p>	see above	Responsible Officer: Margaret Osibowale (Project Finance Lead)		see above	N/A
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Internal Audit report – Payroll (considered at Audit and Risk Assurance Committee 11 June 2021)

Recommendations summary



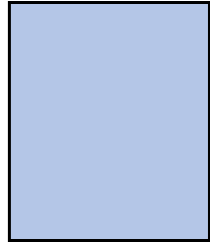
Priority	Outstanding recommendations	Status
High	0	Overdue 0
Medium	0	Not yet due 0
Low	1	Completed 1

Recommendation / Priority (RAG)	Management response	Timescale/Responsibility	Completion Date/Status	Current Commentary	Commentary log
<p>1 Key Risk Area 1: Payroll policies and procedures</p> <p>HCPC should formalise the Finance related payroll processing activities in a documented procedure, which can align with the payroll manual and be referred to by both current and future Finance staff.</p>	<p>To produce a payroll processing manual to formalise and document the actions the Finance Dept has to take to process payroll.</p>	<p>Completion date: 30 June 2021</p> <p>Head of Finance & Financial Control Manager</p>		<p>A new Payroll Manager (part time) joined the HCPC in late May and will be responsible for formalising and documenting the Finance related payroll processing activities. It is expected to finish by the end of June 2022. The documenting of HCPC payroll processing activities have now been completed and is in the form of a payroll processing manual.</p>	<p>Commentary History See Appendix 1 or [PRESS]</p>

Internal Audit report – IT Controls (considered at Audit Committee 17 September 2020)

Recommendations summary

Priority	Outstanding recommendations	Status
High	0	Overdue 1
Medium	1	On track 0
Low	0	Completed 0



Recommendation / Priority (RAG)	Management response	Timescale/Responsibility	Completion Date/Status	Current Commentary	Commentary log
<p>1 Key Risk Area 1: The IT governance framework Key Risk Area 2: IT's support for the achievements of enterprise objectives</p> <p>HCPC should develop and introduce a formal IT Governance framework which aligns with the Code of Corporate Governance. The aim of the framework should be:</p> <ul style="list-style-type: none"> · To ensure that appropriate roles, responsibilities and accountabilities are established for data, system ownership, reporting and communications. This will build on the information which already forms part of the ISMS. · To report on IT Governance status and tracking of all IT Governance issues and remedial actions to closure; and · To define responsibility for key IT controls, particularly in respect of IT systems managed by business units. <p>The IT governance framework should be reviewed periodically, and updated as needed.</p>	<p>The Digital Transformation has an ambitious agenda and roadmap, which means we already recognise that there is a need to develop a Governance model to support transformation activity and operations.</p>	<p>Head of IT & Digital Transformation</p> <p>Due: Q1 2021</p> <p>Revised to Q2 2021</p>		<p>The Digital Transformation Strategy is currently being refreshed, with an updated version due to be presented to Council in December 2022. Delivery of the strategy will be governed in accordance with the HCPC project management framework. A programme board for the Programme for Data Excellence is being established to provide clear governance around the data improvement agenda, with the first meeting scheduled for September. Work is underway to clarify and document the roles and responsibilities across the IT and Business Change teams, and a gap analysis will be undertaken against the ITIL4 framework to identify any further areas for enhancement.</p>	<p>Commentary History See Appendix 1 or [PRESS]</p>

Internal Audit report – Business Continuity Planning (considered at Audit Committee 4 March 2020)

Recommendations summary

Priority	Outstanding recommendations	Status
High	0	Overdue 2
Medium	2	On track 0
Low	0	Completed 0



Recommendation / Priority (RAG)	Management response	Timescale/Responsibility	Completion Date/Status	Current Commentary	Commentary log
<p>6 Key Risk Area 5: Business continuity testing</p> <p>HPCP should address identified gaps in the current BCP and schedule another planned BCP test to ensure that updated areas are working effectively.</p>	<p>A further test will be carried out in the next Financial year</p> <p>COVID-19 response (essentially a major interruption to normal business operations negates any immediate requirement for BCP testing) March – June 2020.</p>	<p>CISRO 31/03/2020</p> <p>NEW TARGET DATE: Dec 2022</p>	In Progress	<p>ELT/SLG received instructional videos on the use of Shadow Planner along with some brief information on past incidents that have occurred (July). Updates to existing departmental plans are being collected to attempt to capture changes in requirements due to Hybrid working. A high level test not requiring Shadow Planner has already been devised for ELT.</p>	<p>Commentary History See Appendix 1 or [PRESS]</p>

Internal Audit report – Follow up Audit - Business Continuity Planning (considered at Audit and Risk Assurance Committee 11 June 2021)

Recommendation / Priority (RAG)	Management response	Timescale/Responsibility	Completion Date/Status	Current Commentary	Commentary log
<p>9</p> <p>HPCP should refresh Shadow Planner app training at least annually for users and could consider developing training and guidance to ensure a continued knowledge and awareness of the app.</p> <p>June 2021 - BDO's assessment of implementation during follow up audit:</p> <p>Standalone generic BCM / DR training is still being developed ahead of being provided to SMT, Business system owners and Heads of department.</p>	<p>Original Management Response: ShadowPlanner users are already trained on its use as the app is delivered to their device. Annual testing includes a training element. Standalone generic BCM/DR training is being developed for SMT & Business system owners and Heads of department.</p> <p>Updated Management Response as at June 2021: A training session with ShadowPlanner over Teams will be organised, or potentially an office based BCM exercise. However it must be remembered that the organisation is still operating under BCM conditions. The long term future of DR/BCM practises are being reviewed this financial year.</p>	<p>CISRO 31/03/2020</p> <p>NEW TARGET DATE: Summer 2022</p>	In Progress	<p>An ELT test is being scheduled with an IT test running the same scenario from an IT point of view.</p>	<p>Commentary History See Appendix 1 or [PRESS]</p>

HM External Auditor's report – Detailed control points (considered at Audit and Risk Assurance Committee and Council December 2021)

Recommendations summary

Priority	Outstanding recommendations	Status
Significant	3	Overdue 0
Important	1	On Track 3
Limited	0	Completed 1
Advisory	0	

RISK (RAG)	Recommendation / Priority (RAG)	Management response	Completion Date/Status	Update for Audit and Risk Committee (September 2022)
1	Following the implementation of the new CRM system, CE, it was clear from our testing that regular reconciliations from the CRM system to the accounting system were not being undertaken.	<p>Monthly reconciliations between the two systems should be undertaken, with significant variances and reconciling items reviewed and evidenced.</p> <p>i) Period close on BC to 31 December 2021 now completed. This will stop transactions been posted into the periods up to December 2021, which will make reconciliations possible.</p> <p>ii) Financial Accounting team now provided access to CE. Reconciliation of data in BC and CE up to 31/12/2021 has started.</p> <p>iii) Head of Registrations will provide dedicated resource(s) to assist with the reconciliation between the two systems.</p> <p>iv) Doyin and Prashanthi to device how the differences would be written off in BC</p>		The outstanding action is to roll forward these reconciliations into the current financial year, so that monthly reconciliations are completed on a timely basis. It is planned for this roll forward to be completed, so that these monthly reconciliations will be in place for the September 22 month end.

<p>2 As part of our testing of registrations income, 47 applicants were randomly selected and traced to ensure a signed application form was in place on the system and that their payment of scrutiny and registration fees had been correctly recorded within the accounts. Of those 47 applicants, the following issues were found:</p> <ul style="list-style-type: none"> - 14 had lag of at least 1 month (up to 4) between registration and actual posting to BC (finance system) - 5 had not been invoiced with a further 2 only part invoiced - 1 was posted after year end, so would not be included in income for the year - 1 had a registration date after posting date - 1 registrant's account could not be followed with no information on why the account was generated or what information is missing 	<p>These issues highlight fundamental problems with data entry into the CRM and financial systems.</p> <p>HCPC need to consider the reasons for these errors arising and establish an action plan to resolve the matters going forward.</p>	<p>i) Financial Controls Manager to document the full end-to-end process flow in CE (for Registration) and how that integrates with BC.</p> <p>ii) Financial Controls Manager to document the process of recording Registrants on BC to receiving payment and income recognition methodology.</p> <p>iii) Meetings setup with members of Registration Ops team to discuss the current process with admitting new members and renewing existing members and how this is posted to BC as Sales Order.</p>		<p>All required reconciling journals to correct Registrants income on BC for the y/e 31 March 2022 have now been completed. External audit has undertaken significant testing of income for the Y/E 31 March 2022 and not identified any significant issues to date with regard to the recognition of income.</p>
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3	Income, deferred income and debtors are posted to the finance system using a number of control and suspense accounts. Suspense accounts are held within both BC and Sage and have not been reviewed or cleared down regularly.	While we understand the use of these accounts to ensure income is only being recognised when it is appropriate to do so, the accounts need to be regularly monitored and cleared down.	<p>i) Data in BC (posted Sales Invoices) / Debtor Ledger to be validated before income and deferred Income is calculated.</p> <p>ii) Reconciliation between SAGE and BC for control completed to November 2021 with unreconciled differences highlighted and reasons addressed. Aim is to complete reconciliation of control accounts to 31 March 2022.</p>		The required adjustments resulting from the BC Income reconciliation have been posted into BC & CRM. The reconciliation and clearance of the suspense A/C's for the Y/E 31 March 2022 has been completed.
5	Our audit testing identified that the fixed asset register for intangibles was not always applying the right amortising rate for each asset. There is therefore a risk that assets are not held at an appropriate value.	We recommend that the asset register is reviewed periodically to ensure this issue does not arise in the future.	<p>i) Review of fixed asset register and procedure for amortisation of Intangible Assets.</p> <p>ii) Determine if Assets included within Intangible Assets still has Useful Economic Life (e.g. current BC System and potential write-off).</p>		A full reconciliation of Intangible assets was completed as at 31 March 2022 with correct depreciation rates applied. Further consideration is required in relation to whether appropriate useful lives are being applied to capital projects costs.

Appendix 1 - Commentary History - a log of the last 4 Audit and Risk Assurance Committee updates

Safeguarding controls		Jun-22	Mar-22	Nov-21	N/A	
3	<p>Key Risk Area 1: Controls to identify and assess safeguarding risks</p> <p>In addition to the warnings provided at initial and reregistration, we recommend that within the declarations section of the form, applicants are made aware that the failure to disclose relevant information could be treated as dishonesty and result in an FtP investigation more serious than the matter not declared from the outset.</p>	<p>The declarations section of the form is currently being reviewed and aiming to update the form by the 30 June 2022</p>	N/A	N/A	N/A	<p>To return to the main Summary and Tracker Scroll up or</p> <p>[PRESS]</p>
4	<p>Key Risk Area 2: Guidance to registrants on standards and safeguarding risks</p> <p>HCPC should develop a suite of safeguarding materials aimed at assisting registrants manage key safeguarding risks which they may encounter during the course of their professional roles. These materials should be readily available to registrants through HCPC's website. This should be benchmarked against the safeguarding materials provided by other healthcare professions regulators.</p> <p>HCPC should also consider delivering specific safeguarding guidance sessions as part of the programme of Professional Liaison Service webinars.</p>	<p>Policy - Reviewing/updating safeguarding materials included in Policy Team workplan for 2022/23.</p> <p>KG - #myhpcstandards webinars exploring safeguarding will be delivered in September and November 2022. Content is currently being developed.</p> <p>TG – Supporting #myhpcstandards webinars Review and updates to safeguarding content in 2022/23 comms workplan.</p>	N/A	N/A	N/A	<p>To return to the main Summary and Tracker Scroll up or</p> <p>[PRESS]</p>
5	<p>Key Risk Area 3: Responding to complaints or referrals relating to a registrant's conduct</p> <p>The Case Management Manual document should be formally reviewed and updated to ensure that it accurately reflects the latest case management processes.</p> <p>As part of this review, specific guidance on identifying safeguarding concerns should be detailed within the document. This could be done by also making reference to HCPC's internal Safeguarding Policy.</p>	<p>Roll out of new Best Practice Standards will be completed in June. We are taking phased approach to roll out given the number of documents.</p> <p>Best Practice Standard on Risk Assessment is live.</p>	N/A	N/A	N/A	<p>To return to the main Summary and Tracker Scroll up or</p> <p>[PRESS]</p>

6	<p>Key Risk Area 4: Controls to identify safeguarding issues identified through DBS</p> <p>HCPC should explore the feasibility of having a formal relationship with Disclosure Scotland as it currently has with the DBS, whereby the DBS proactively alerts the HCPC of registrants who have been arrested or convicted for a serious criminal offence.</p>	<p>Disclosure Scotland were contacted, and responded 31st May indicating their Governance team will progress a MoU, and be in contact shortly.</p>	N/A	N/A	N/A	<p>To return to the main Summary and Tracker Scroll up or</p> <p>[PRESS]</p>
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Financial Modelling review		Jun-22	Mar-22	Nov-21	N/A	
<p>1 Key Risk Area 1: Financial modelling spreadsheets are supported by detailed guidance</p> <p>HCPC should prepare a detailed guidance / technical document for the Budget Costs Model, in the same way as prepared for the Income Model.</p> <p>The preparation of this document should support the already existing flow charts within the model itself, and focus on how the model technically operates. This will support ensuring that the Business Central system performs the same functions (as these will be documented and so can be checked) and, in the event to delays to the implementation of Business Central's functions in this area, support the ongoing operation of the model if needed.</p>	<p>We have recently appointed a Systems Accountant who is now the Project Lead for the BC Reimplementation. Due to the business submitting a retender for the BC Reimplementation project, we will be reassessing the requirements for our reporting needs and pull together a revised Chart of Accounts once a successful supplier is awarded the contract and we commence the requirements gathering phase of the project.</p>	<p>Requirements for Business Central are being reviewed on a first principles basis which includes uncoupling from the registration system. The Systems Accountant, once they are appointed, will be taking this work forward. The completion date is likely to be October 2022.</p>	<p>Requirements for Business Central are being reviewed on a first principles basis which includes uncoupling from the registration system. The HoF will continue to take this work forward when they start in January but completion date is likely to be March 2022.</p>	N/A		<p>To return to the main Summary and Tracker Scroll up or</p> <p>[PRESS]</p>
<p>3 Key Risk Area 3: Methods and approach to identifying and allocating costs within the Cost Model</p> <p>HCPC should develop and introduce a costs forecasting model which estimates its costs into future years. This model should be designed to complement the Income Model and set out key assumptions and variables, each of which can be independently configured.</p> <p>Each year a financial planning exercise should be undertaken where both the income and costs models are updated with their latest assumptions with the outputs presented to Council for review. These should also be subjected to sensitivity analysis / stress testing so that HCPC can identify which variables have the greatest impact on the organisation's financial health.</p>	<p>The appointment of the Senior Finance Business Partner has meant that they will be joining the monthly forecasting meetings and get up-to-speed with the functionality of the current model. This will be pushed back to Jul-22 where the Q1 Forecast will need to be produced with the use of the corrected forecasting model.</p>	<p>Alan Keshtmand, HoF - pending more fundamental improvements to HCPS's income and cost modelling, a number of scenarios are being developed by the FP&A Manager as part of the FY22-23 budgeting cycle and will be presented within the budget paper for March 2022.</p>	<p>A new Executive Director of Resources and Business Performance has been appointed and is due to start in early January. With this appointment and other resource pressures in the Finance team it is proposed the completion date for this is pushed back to March 2022.</p>	N/A		<p>To return to the main Summary and Tracker Scroll up or</p> <p>[PRESS]</p>

<p>8 Key Risk Area 5: Inflationary assumptions are appropriate and represent a fair estimate of increases and decreases to key variables</p> <p>HCPC should model a modest fee increase within the Income Model to aid the model more accurately predict income.</p> <p>This can either be estimated using an agreed inflationary assumption (accepting that HCPC's fee rules do not use this) or by modelling a flat increase after a certain period of time (for example every five years).</p>	<p>Under consideration</p>	<p>When ELT develop the fee increase proposals, the specific scenarios will be modelled to evaluate the financial impact of each scenario. A number of scenarios are being developed based on the current fee structure to give an indicative view of potential fee rises to the organisation's financial position. This will form part of the FY22-23 budgeting cycle and will be presented within the budget paper for March 2022.</p>	<p>When ELT develop the fee increase proposals, the specific scenarios will be modelled to evaluate the financial impact of each scenario.</p>	<p>N/A</p>	<p>To return to the main Summary and Tracker Scroll up or</p> <p>[PRESS]</p>
<p>9 Key Risk Area 6: Financial model updates timely and accurate</p> <p>The way in which data is exported from the new Business Central system should be assessed in the context of obtaining information in a format capable of easy uploading into the Income Model to keep its information as up-to-date as possible.</p> <p>Where a technical solution is being developed, an interim process should be introduced to facilitate keeping the Income Model updated with live performance data. A consistent approach should be decided upon, documented and then followed to resume the practice of updating the Income Model on a monthly basis.</p>	<p>See (1) above</p> <p>Similar to the first point, we will need to assess our reporting requirements once a successful supplier is awarded the contract for the reimplementation of BC.</p>	<p>See (1) above</p> <p>Requirements for Business Central are being reviewed on a first principles basis which includes uncoupling from the registration system. The Systems Accountant, once they are appointed, will be taking this work forward. The completion date is likely to be April 2022.</p>	<p>See (1) above</p> <p>Requirements for Business Central are being reviewed on a first principles basis which includes uncoupling from the registration system. The HoF will continue to take this work forward when they start in January but completion date is likely to be March 2022.</p>	<p>N/A</p>	<p>To return to the main Summary and Tracker Scroll up or</p> <p>[PRESS]</p>

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Payroll review		Jun-22	Mar-22	Nov-21	Sep-21	
1	<p>Key Risk Area 1: Payroll policies and procedures</p> <p>HCPC should formalise the Finance related payroll processing activities in a documented procedure, which can align with the payroll manual and be referred to by both current and future Finance staff.</p>	<p>The payroll manual is still under review. A new Payroll Manager (part time) just joined the Company in late May and she will be responsible for formalising and documenting the Finance related payroll processing activities. It is expected to finish by the end of June 2022.</p>	<p>The Financial Control Manager (FCM) has been appointed on a permanent basis, who have taken on the responsibility of the finance related payroll processing activities. They are documenting the processes as part of the delivery of the processes. These will be ready for the Head of Finance to review by 4th March 2022.</p>	<p>An interim Financial Control Manager (FCM) has been appointed. The FCM has taken on the responsibility of the finance related payroll processing activities. They are documenting the processes as part of the taking responsibility for the delivery of the processes. These will be ready for the HoF to review when they start on 4th Jan 2022.</p>	<p>The HoF and FCM roles are both vacant at the moment. The HoF has been appointed and is scheduled to start on 4 Jan 2022. This task will be on the HoF priority task for when they commence.</p>	<p>To return to the main Summary and Tracker Scroll up or</p> <p>[PRESS]</p>

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IT Controls	Jun-22	Mar-22	Nov-21	Sep-21	
<p>1 Key Risk Area 1: The IT governance framework Key Risk Area 2: IT's support for the achievements of enterprise objectives</p> <p>HCPC should develop and introduce a formal IT Governance framework which aligns with the Code of Corporate Governance.</p> <p>The aim of the framework should be:</p> <ul style="list-style-type: none"> · To ensure that appropriate roles, responsibilities and accountabilities are established for data, system ownership, reporting and communications. This will build on the information which already forms part of the ISMS. · To report on IT Governance status and tracking of all IT Governance issues and remedial actions to closure; and · To define responsibility for key IT controls, particularly in respect of IT systems managed by business units. <p>The IT governance framework should be reviewed periodically, and updated as needed.</p>	<p>Head of IT&DT is currently working with Head of Business Change to define roles & responsibilities across these 2 teams, plus Analysis & Insight and operational teams where these overlap/interact. During Q2 a standard IT governance framework template such as ITIL4 will be used to document the approach, building on the information captured in the ISMS.</p>	<p>A review of the existing IT governance controls by the outgoing Director of Digital Transformation identified a number of gaps as well as a need to modernise the controls to support a more agile approach. The new Head of IT & DT will work with stakeholders to define and put in place a new framework that meets these objectives.</p>	<p>The new draft governance framework is currently being reviewed against COBIT framework, before being socialised with the wider organisation, in November.</p>	<p>A draft governance framework based on an agile Gartner approach will be reviewed against TOGAF in September. New Head of IT and Digital Transformation to start socialising with ELT and the wider organisation September/October</p>	<p>To return to the main Summary and Tracker Scroll up or [PRESS]</p>

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Business continuity testing		Jun-22	Mar-22	Nov-21	Sep-21	
6	<p>Key Risk Area 5: Business continuity testing</p> <p>HCPC should address identified gaps in the current BCP and schedule another planned BCP test to ensure that updated areas are working effectively.</p>	<p>Departmental scenario detail to be captured during the summer 2022 Assurance / Risk meetings with depts to incorporate Hybrid working scenarios.</p>	<p>Further users are being tested on ShadowPlanner, and a test arranged when it will not interrupt normal business flows.</p> <p>To speed up the testing process, we now propose to carry out departmental desk exercises over the next few months, although this will depend on new ways of working being developed.</p>	<p>Further users are being tested on ShadowPlanner, and a test arranged when it will not interrupt normal business flows.</p>	<p>Test user successfully logged on with minimal support. Now planning a test using access to Shadow Planner data, aiming for October/November 2021</p>	<p>To return to the main Summary and Tracker Scroll up or</p> <p>[PRESS]</p>
9	<p>HCPC should refresh Shadow Planner app training at least annually for users and could consider developing training and guidance to ensure a continued knowledge and awareness of the app.</p> <p>June 2021 - BDO's assessment of implementation during follow up audit:</p> <p>Standalone generic BCM / DR training is still being developed ahead of being provided to SMT, Business system owners and Heads of department.</p>	<p>SLG Video demonstration of Shadow Planner in June / July to SLG</p>	<p>Scenarios ready, not specifically around IT issues. Date will not be announced before hand to ensure realism of test.</p> <p>Awaitng a suitable time slot to run a test, possibly with SLG initially.</p>	<p>Scenarios ready, not specifically around IT issues. Date will not be announced before hand to ensure realism of test.</p>	<p>Scenario based testing orientated around accessing the Shadow Planner data will be carried out October/November 2021</p>	<p>To return to the main Summary and Tracker Scroll up or</p> <p>[PRESS]</p>