



# The Health and Care Professions Council

Progress Report

June 2024

# CONTENTS & OVERVIEW

1. CONTENTS & OVERVIEW	2
2. BDO UPDATE	3
3. INTERNAL AUDIT PROGRESS 2024/15	4
4. APPENDIX I: CHARITY AND NFP UPDATE	5
5: APPENDIX II: DEFINITIONS	6

## RESTRICTIONS OF USE

This report is provided on the basis that it is for your information and usage only and is part of a continuing dialogue between your organisation and ourselves. The content of the report is confidential and not intended for disclosure to, or use by, any third party. Disclosure to third parties (save for external auditors or regulators who are entitled to view it by operation of law or regulation) should not be made without the written consent of BDO LLP. To the fullest extent permitted by law, BDO LLP accepts no responsibility or liability to any third party for any use or reliance they may place on the information contained in this report.

## YOUR TEAM

Bill Mitchell	Head of Internal Audit	Bill.Mitchell@bdo.co.uk
Dan Bonner	Senior manager	Dan.Bonner@bdo.co.uk
Heather Buckingham	Manager	Heather.Buckingham@bdo.co.uk
Tamia Crawl	Senior auditor	Tamia.Crawl@bdo.co.uk

## OVERVIEW

This report presents the Audit and Risk Assurance Committee (ARAC) with an update on internal audit activities, specifically progress made in respect of delivery of the Internal Audit Annual Plan for 2024/25.

In the following section we have provided a status update against individual audits, including those that are underway and yet to be completed. We have also included our most recent charity sector update.

**The ARAC is requested to note this report.**

---

# BDO UPDATE

## ARAC - June 2024

### Introduction

The main purpose of this report is to update the Audit, Risk and Assurance Committee (ARAC) on the progress made in delivering the Internal Audit (IA) plan since the last ARAC in March 2024. This report has been prepared on the basis of work performed up to 10 June 2024.

### Progress of the 2024/25 IA Plan

We have made good progress in commencing the audits for the 2024/25 plan, with the Education - new approach and Key Performance Measures audits coming to the end of their fieldwork.

We are in the process of setting up the scoping meetings for the Environmental Sustainability audit whereby we will use our ESG specialist, and the Stakeholder Engagement review with both audits due to commence fieldwork in mid-August.

### Project management

Owing to the project team focusing on the completion of Business Central, the internal audit review of the new, pan-organisation project benefits management methodology has been delayed. We intend to undertake this work in June. Given the advisory nature of the work, the delay will not impact on the annual opinion for 2023/24.

### Changes to the Audit Plan

There have been no changes to the agreed audit plan since the last ARAC meeting in March 2024

### Recommendation

ARAC are requested to note this report.

### BDO Global Risk Landscape

BDO's Global Risk Landscape report is now live. The theme of this year's report is the 'antifragile' mindset which describes systems or processes that are not only resilient but actually improve when stressed and exposed to risk. An antifragile business mindset means seeking opportunity in disruption and turning risk into a competitive advantage. Our global survey of 500 business executives shows how far this mindset has permeated and what practical steps are being taken to become antifragile.

The Global Risk Landscape Report also examines the attitudes of risk leaders to a range of evolving risks such as Artificial Intelligence (AI), geopolitical tensions and supply chain uncertainty. This year, the report highlights how quickly risk priorities are shifting in response to a more disruptive business landscape.

Some key risk insights from the report include:

- Regulatory risk climbed 14 places to the top position - a major concern for 37% of respondents compared to just 7% last year
- Geopolitical tensions rose three places to third as a key risk that people track, cited by 26% of respondents
- Cyber risk dropped to fifth, cited by 24% of respondents
- Environmental risk has fallen to 9th place despite being the risk business leaders said they were least prepared for in 2023.

If you would like to know more about how we can support you with risk at BDO do let us know.

[Global Risk Landscape | Risk Management - BDO](#)



# INTERNAL AUDIT PROGRESS - 2024/25

REPORT	STATUS	PLANNED DELIVERY DATE	Actual Delivery	OVERALL REPORT CONCLUSIONS						
				ASSURANCE LEVEL		H	M	L	TOTAL	
				DESIGN	EFFECTIVENES S					
Education - new approach Assurance	Fieldwork	Q1	May/ June 2024	-	-	-	-	-	-	
Key performance Indicators (KPIs) Assurance	Fieldwork	Q1	June 2024	-	-	-	-	-	-	
Stakeholder engagement Assurance	Scoping	Q2	Aug 24	-	-	-	-	-	-	
Environmental sustainability Assurance	Scoping	Q2	Aug 24	-	-	-	-	-	-	
Health & Safety Assurance	Not due	Q2/3	Sept 24	-	-	-	-	-	-	
Data Privacy Assurance	Not due	Q3	Oct 24	-	-	-	-	-	-	
Follow up	Not due	Q4	Jan 25	-	-	N/A	N/A	N/A	N/A	

---

# APPENDIX I: BDO NOT-FOR-PROFIT UPDATE

Our Quarter 1 2024/25 not for profit digest contains sector updates, thought leadership and advice to support organisations through current and emerging risks and issues.

## Spring budget analysis 2024



We have broken down announcements from the Spring Budget into sections - you can find in depth analysis below, under the headings of Personal Taxes, Corporate Taxes, Indirect Taxes, Employment Taxes, Other Taxes and Industry Impacts.

Our tax experts Caroline Harwood, Liam O'Doherty, Martyne Pearson and Ben Handley, joined by Nina Skero, Chief Executive from the Centre for Economics and Business Research answer your questions on the 2024 Spring Budget.



## Data Protection News and Trends Newsletter

Visit our newly rebranded Data Protection News and Trends where we are excited to consistently deliver regular and insightful data protection updates that we trust you will find valuable.

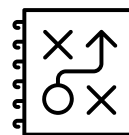
We feature the release of the final edition for 2023 and our first quarterly edition for 2024 of our data protection newsletter.



## Data protection Update - ICO Priorities moving forward

The Information Commissioner, John Edwards, outlined the ICO's key priorities, including protecting children's data, addressing advertising technologies and fair use of cookies, and ensuring AI technologies comply with UK data protection laws.

In this article, we examine the implications for the Not for Profit sector, emphasising the need for organisations to be mindful of how ICO's focus may affect their operations. To ensure compliance and safeguard individuals' data, organisations must adjust their practices to align with ICO regulations.



For more information on what is happening in the charity and NFP sectors, please click the link below.

[Newsletter: BDO Charity and Not for Profit Digest](#)



## APPENDIX II: DEFINITIONS

LEVEL OF ASSURANCE	DESIGN OF INTERNAL CONTROL FRAMEWORK		OPERATIONAL EFFECTIVENESS OF CONTROLS	
	FINDINGS FROM REVIEW	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION
<b>SUBSTANTIAL</b>	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
<b>MODERATE</b>	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
<b>LIMITED</b>	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
<b>NO</b>	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.

RECOMMENDATION SIGNIFICANCE	
<b>HIGH</b>	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
<b>MEDIUM</b>	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
<b>LOW</b>	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.
<b>ADVISORY</b>	A weakness that does not have a risk impact or consequence but has been raised to highlight areas of inefficiencies or potential best practice improvements.

FOR MORE INFORMATION:

Sarah Hillary, Partner

[sarah.hillary@bdo.co.uk](mailto:sarah.hillary@bdo.co.uk)

Bill Mitchell, Head of Internal Audit

[bill.mitchell@bdo.co.uk](mailto:bill.mitchell@bdo.co.uk)

This publication has been carefully prepared, but it has been written in general terms and should be seen as containing broad statements only. This publication should not be used or relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained in this publication without obtaining specific professional advice. Please contact BDO LLP to discuss these matters in the context of your particular circumstances. BDO LLP, its partners, employees and agents do not accept or assume any responsibility or duty of care in respect of any use of or reliance on this publication, and will deny any liability for any loss arising from any action taken or not taken or decision made by anyone in reliance on this publication or any part of it. Any use of this publication or reliance on it for any purpose or in any context is therefore at your own risk, without any right of recourse against BDO LLP or any of its partners, employees or agents.

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

BDO is the brand name of the BDO network and for each of the BDO member firms.

BDO Northern Ireland, a partnership formed in and under the laws of Northern Ireland, is licensed to operate within the international BDO network of independent member firms.

Copyright © June 2024 BDO LLP. All rights reserved. Published in the UK.

[www.bdo.co.uk](http://www.bdo.co.uk)