

The background image shows two men in high-visibility yellow and green jackets. The man in the foreground is smiling and looking towards the camera, while the man in the background is looking down. They appear to be in a vehicle or a confined space with a window. The image is partially obscured by a dark blue diagonal overlay on the left side.

Health and Care Professions Council

Progress report

September 2024

CONTENTS & OVERVIEW

1. CONTENTS & OVERVIEW	2
2. BDO UPDATE	3
3. INTERNAL AUDIT PROGRESS 2024/25	4
4. APPENDIX 11: DEFINITIONS	5

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 - September 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 June 2024. This report has been prepared on the basis of work performed up to 04 September 2024.

Progress of the 2024/25 IA Plan

We have made good progress in commencing the audits for the 2024/25 plan.

- The Education - new approach review is in final.
- Key Performance Measures is in draft and with management for comment.
- Stakeholder Engagement, fieldwork is complete.
- Environmental, fieldwork is complete.
- Data Privacy draft terms of reference issued
- Health & Safety terms of reference issued.

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 was delayed.

This review has now been completed with a Final report issued to management for comment.

Changes to the Audit Plan

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

Recommendation

ARAC are requested to note this report.



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	Final report issued	Q1	May/June 2024	Moderate	Moderate	-	-	1	1
Key performance Indicators (KPIs) Assurance	Draft report issued	Q1	June 2024	-	-	-	-	-	-
Stakeholder engagement Assurance	Fieldwork complete	Q2	Aug 24	-	-	-	-	-	-
Environmental sustainability Assurance	Fieldwork complete	Q2	Aug 24	-	-	-	-	-	-
Health & Safety Assurance	Draft TOR issued	Q2/3	Sept 24	-	-	-	-	-	-
Data Privacy Assurance	Draft TOR issued	Q3	Oct 24	-	-	-	-	-	-
Follow up	Not due	Q4	Jan 25	-	-	N/A	N/A	N/A	N/A



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
SUBSTANTIAL	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.
MODERATE	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.
LIMITED	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.
NO	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	
HIGH	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.
MEDIUM	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.
LOW	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.
ADVISORY	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

Bill Mitchell, Head of Internal Audit

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