

Health and Care Professions Council

Internal Audit Annual Opinion 2024/25

June 2025 Final - Post ARAC

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General Disclaimer

The content of this report is confidential and not for distribution to anyone other than the HCPC. Disclosure to third parties cannot be made without the written consent of BDO LLP. Our work and deliverables are designed to meet applicable recognised internal audit standards. Our work is not designed or intended to comply with the International Auditing and Assurance Standards Board (IAASB), International Framework for Assurance Engagements (IFAE) and International Standard on Assurance Engagements (ISAE) 3000.

Executive summary & opinion

Introduction

International Professional Practices Framework (IPPF) and the associated International Standards for the Professional Practice, provide the basis of internal auditing standards in the UK. They state that the Head of Internal Audit is required to produce an annual report on the risk management, governance and control framework on the organisation subject to internal audit.

Given HCPC’s public-facing role and the statutory audit is conducted by the National Audit Office, we also adhere to UK Public Sector Internal Audit Standards (PSIAS), superseded in January 2025 for HCPC, by the Global Internal Auditing Standards (GIAS).

The standards require the Head of Internal Audit to provide a formal annual opinion to the Accounting Officer, providing assurance on the effectiveness of the organisation’s risk management, control and governance processes. Standards also require the Head of Internal Audit to provide a summary of the internal audit work undertaken across the year, which is used to support HCPC’s Governance Statement. This report thus:

- ▶ provides assurance to the Accounting Officer on areas reviewed, to support the Governance Statement, which is included in HCPC’s annual report and accounts;
- ▶ summarises internal audit activity in 2024/25;
- ▶ highlights the assurance ratings and key issues arising from the individual reviews undertaken in the year; and
- ▶ confirms compliance with the IPPF, PSIAS and GIAS.

While this report and annual Internal Audit Opinion is a key element of the framework designed to inform the annual Governance Statement, there are also several other important sources of assurance, which the Accounting Officer may draw on such as the work of the external auditors, internal independent checks and assurance commissioned from time to time on specific areas of activity.

Scope

The annual opinion is ascertained through a risk-based plan of work, agreed with management and approved by the Audit and Risk Assurance Committee (ARAC), which is designed provide a reasonable level of assurance, subject to the inherent limitation of internal audit (covering both the control environment and the assurance over controls), summarised below and detailed in Appendix A. The opinion does not imply that Internal Audit have reviewed all risks relating to the organisation. However, we experienced no limit to the scope of our audit work.

Internal audit - annual opinion

Rating	Definition
2	There is some risk that the system of internal control, governance and risk management will fail to meet management's objectives - some areas there are adequate and effective systems of governance, but there are also some specific areas of significant risk. Significant improvements are required in specific areas to improve the adequacy or effectiveness of governance, risk management and internal control.

The rating provided is ‘**Moderate**’, the second highest rating, out of a possible four rating levels. This is consistent with the ‘Moderate’ opinion provided in the 2023/24 audit year.

The audit opinion takes together the assurance ratings and the number of High and Medium priority recommendations within individual Internal Audit assignments conducted in 2024/25, any significant control items identified during the year, management’s responsiveness to internal audit recommendations and the direction of travel regarding internal control, governance and risk management. The basis of our opinion is set out on pages 4-9 of this report.

Our opinions for each assignment are based on our assessment of whether the controls in place support the achievement of management’s objectives, as set out in our individual assignment terms of reference.

Basis for annual opinion

Summary of individual assurance assignments in 2024/25

Overall, there were seven audit assurance assignments and a follow up review. The project benefits review was deferred from the 2023/24 internal audit plan. The pie chart, Figure 1a, summarises the Design assurance opinions provided to the audits undertaken and Figure 1b shows the Operating Effectiveness assurance opinions provided to the audits undertaken during the year 2024/25.

In 2024/25, one review was awarded Substantial for design and Moderate for effectiveness with one review awarded Moderate for design and Substantial for effectiveness. Six reviews were rated Moderate for both design and effectiveness including the follow up.

The seven assurance reports (excl. the follow up) resulted in us raising a total of 22 recommendations of which 14 were Medium priority and eight Low priority. No High recommendations were raised.

The methodology for rating our opinions, reports, observations and recommendations can be found in [Appendix 1](#) and [Appendix 2](#).

Table 1 - Individual assurance assignments design, operating effectiveness and recommendation ratings.

Audit	Assurance Rating		Recommendations Priority Rating			
	D	OE	High	Med	Low	Adv
1. Education	M	M	-	-	1	-
2. Key Performance Indicators	S	M	-	-	3	-
3. Stakeholder Engagement	M	M	-	3	-	-
4. Environmental Sustainability	M	M	-	2	-	-
5. Outreach	M	M	-	4	-	-
6. Data Privacy	M	M	-	2	5	-
7. Project benefits	M	S	-	3	-	-
8. Follow Up	M	M	N/A	N/A	N/A	
Total For 2024/25			-	14	8	-

7 Assurance & 1 Follow up Assignments

Figure 1a - DESIGN (D) Summary of Assurance Ratings for 2024/25 (incl. follow up)

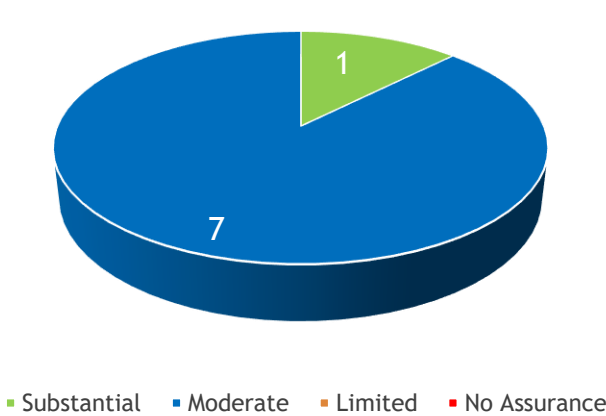
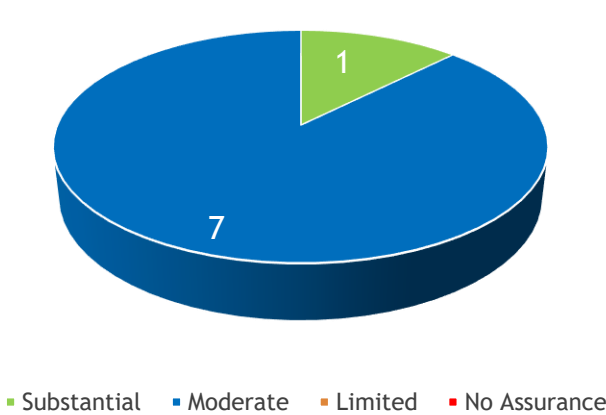


Figure 1b - OPERATING EFFECTIVENESS (OE) Summary of Assurance Ratings for 2024/25 (incl. follow up)



Basis for annual opinion

Significant findings affecting the opinion

It is a requirement to highlight any significant issues identified during the year in our work and recommend for management to include them in the Governance Statement. This year, we did not identify any significant findings as part of our work.

Effects of any significant changes in organisational objectives or systems

Changes to the finance system, Business Central, were implemented in April 2024, with the full capabilities of the system still to be explored and exploited. We did not review the implementation of the system, but we note from our work on project benefit realisation this year, that project delivery controls are sufficiently strong. Also, our follow up work evaluating the implementation of recommendations that were contingent on features included in the new finance system roll-out (see paragraph below). We will be reviewing the financial controls for Business Central in full, in 2025/26.

Significant matters arising from previous internal audit reports

There were several recommendations, due to be implemented, that were dependent on the implementation of Business Central. From our follow up review, whilst there is still some work to do to fully embed Business Central, good progress has been made in identifying ways to optimise the system's capabilities thus far.

Management anticipated that the introduction of Business Central would allow for greater automation and defined workflows. Where this has been identified as not possible, other adaptations have been made to make controls more robust, such as the registrant forecasting model.

Assurance ratings

Please see Appendix I for annual opinion full definitions.



Basis for the annual opinion - follow up

Responsiveness to internal audit recommendations

A critical part of an organisation's internal control, governance and risk management framework is management's responsiveness to the implementation of agreed internal audit recommendations. Timely and full implementation of internal audit recommendations indicates that management are making positive steps towards control and assurance environment improvement.

We completed a follow-up of internal audit recommendations due to be implemented on or before 31 December 2024. We followed up seven recommendations (two 'High' and five 'Medium') across five audit reports.

Of the seven recommendations tested during this review, three recommendations were fully implemented, representing 43% of the recommendations tested. The four remaining recommendations were in progress. Of which two were High priority and two were of a Medium priority.

Recommendations in progress

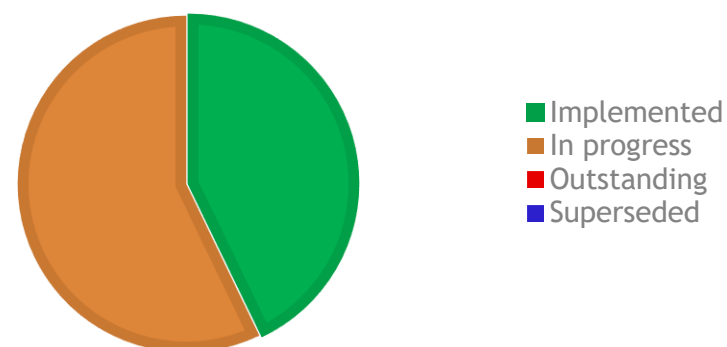
Two 'High' recommendations from the Key Financial Controls audit remained 'in progress' because necessary changes were needed in Business Central. The recommendations included consolidating and updating policies and procedures and including a workflow within Business Central.

One Medium 'in progress' recommendation, in the Diversity audit, related to staff who had not completed their diversity training. A main reason behind training not being completed was because course completion was not always recorded.

For the one Medium 'in progress' recommendation for the Partners audit, work is still underway to automate the partner payroll process. The automation of the process will be considered as part of Phase 2 of the project, in the period October 2025 - April 2026.

Audit	BDO Status as at December 2024 (definitions included within Appendix II to the report)				Total
	●	■	▲	▼	
	Implemented	In progress	Outstanding	Superseded	
Diversity (22/23)	-	1	-	-	1
Key Financial Controls - KFC (22/23)	-	2	-	-	2
Registrant Forecasting (22/23)	1	-	-	-	1
Partners (23/24)	1	1	-	-	2
Procurement of Large Contracts (23/24)	1	-	-	-	1
TOTAL	3	4	-	-	7

Implementation rates



Basis for annual opinion

Direction of travel

We have provided some analysis of our assignment opinions over the last three years. Our assurance ratings are an assessment at the time the assignments were conducted. However, organisations rarely remain static - the internal control, governance and risk management in an organisation may improve or deteriorate in individual areas or across the whole organisation over time.

One indicator of the direction of travel is the assurance rating and number of recommendations per assignment between the current year and previous years. While assignment subjects differ each year and thus coverage to what the assurance ratings refer, such a comparison can give an indication of the direction of travel for an organisation.

We have also compared the audit report ‘traffic light’ opinions over the last three years and the associated priority rating of recommendations. This is shown in Figure 2a and 2b below, in absolute numbers.

The charts give a broad indication of the direction of travel for audit assignments’ assurance ratings. No ‘Unsatisfactory’ Assurance (Red) audit report opinions were provided in the three-year period. We completed no advisory reviews in the past 12 months. The project benefits review, initially considered as advisory was moved to assurance once testing of activities could be undertaken.

Both charts show a steady improvement in the control environment. No High recommendations were raised this year. Whilst there has been an increase in the total number of recommendations raised in 2024/25 one additional review was conducted that had been deferred from the previous year.

Figure 2a - Audit Assignment Opinions - 2022/23 to 2024/25

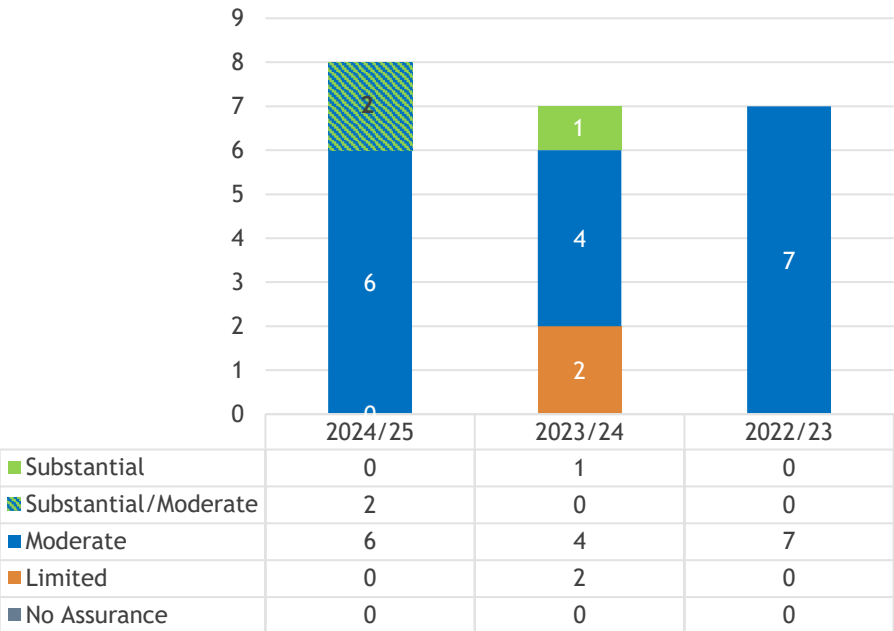
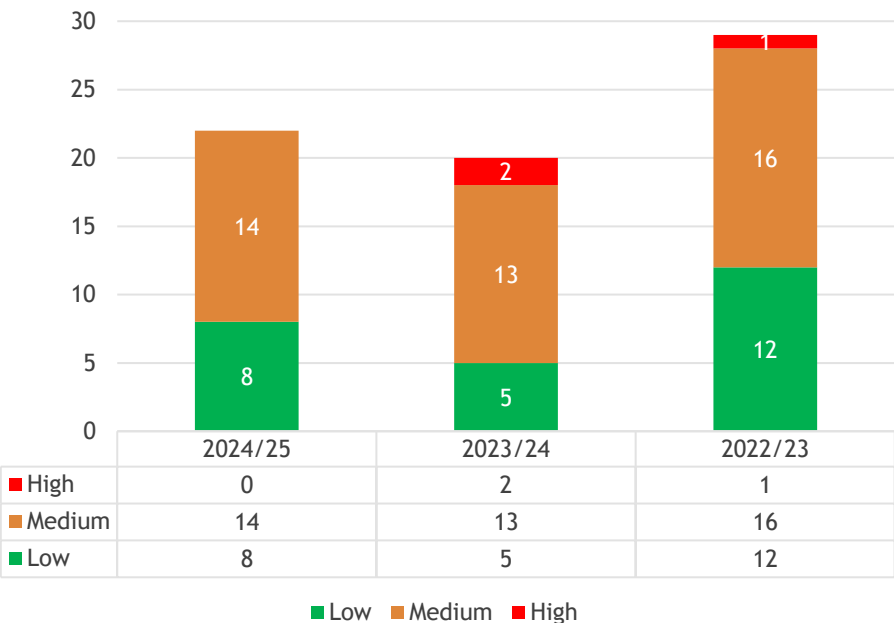


Figure 2b - Recommendations by priority - 2022/23 to 2024/25



Basis for annual opinion

Completion of audit plan

Internal audit work was performed in accordance with BDO Internal Audit methodology which conforms to the Public Sector Internal Audit Standards and Chartered Institute of Internal Auditors’ Position Statement on Risk Based Internal Auditing. The Public Sector Internal Audit Standards require the annual report to include the results of the Internal Audit function’s quality assurance and improvement programme. Details of our method and quality assurance programme are outlined in [Appendix III](#).

Our findings are based upon and limited to the results of the internal audit work performed during the 2024/25 financial year. In completing the delivery of our audit plan, there were no restrictions placed upon the scope of our work.

Assurance ratings

We provide our internal audits with two assurance ratings: one for control design and one control effectiveness. This helps organisations to identify if the controls in place are not sufficiently designed to mitigate the risks or whether they are not effective, for example due to staff non-compliance.

In Appendix II is a more detailed description of the grading system.



Audit	Work type	Status
1. Education	Assurance	Completed
2. Key performance indicators	Assurance	Completed
3. Stakeholder engagement	Assurance	Completed
4. Environmental sustainability	Assurance	Completed
5. Outreach	Assurance	Completed
6. Data Privacy	Assurance	Completed
7. Project benefits	Assurance	Completed
8. Follow up	Assurance	Completed

Appendix I: Definitions for annual opinion

Annual Internal Audit Opinion

Council are collectively accountable for maintaining a sound system of internal control that supports the achievement of the organisation's objectives, and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system. A key element in that flow of assurance is the overall internal audit assurance opinion issued by BDO.

In determining the overall annual opinion, we consider:

- all internal audits undertaken by BDO LLP during the financial year;
- follow-up action taken in respect of audits from previous periods;
- whether any significant recommendations have not been accepted by management and the consequent risks associated with this;
- the effects of any significant changes in the organisation's objectives or systems;
- matters arising from previous internal audit reports provided to the HCPC; and
- any limitations which may have been placed on the scope of internal audit.

Possible Annual Opinions	
Substantial (1)	There is an adequate and effective system of governance, risk management and internal control to address the risk that management's objectives are not fully achieved.
Moderate (2)	There is some risk that management's objectives may not be fully achieved. Improvements are required in those areas to enhance the adequacy and / or effectiveness of governance, risk management and internal control. OR There is some risk that the system of internal control, governance and risk management will fail to meet management's objectives - some areas there are adequate and effective systems of governance, but there are also some specific areas of significant risk. Significant improvements are required in specific areas to improve the adequacy and / or effectiveness of governance, risk management and internal control.
Limited (3)	There is considerable risk that the system of internal control, governance and risk management will fail to meet management's objectives. Significant improvements are required to improve the adequacy and / or effectiveness of governance, risk management and internal control.
No (4)	The systems have failed or there is a real and substantial risk that the systems of internal control, governance and risk management will fail to meet management's objectives. Immediate action is required to improve the adequacy and / or effectiveness of governance, risk management and internal control.

Appendix II: Report definitions HCPC

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.

Appendix III: Internal audit quality assurance & limitations

Quality assurance processes and procedures	
Procedures	Our audit procedures were designed to ensure the service we deliver is of the highest standard. We utilise specially designed internal audit software Pentana to conduct our work and all reports are subject to review by a manager or senior manager (Stage 1) and director or partner (Stage 2).
Knowledge Library	Our audit testing programmes, and good practices we find are imported into our Knowledge Library. The Knowledge Library is part of our Pentana audit workflow system and enables auditors to see examples of best practice across our client base. This enhances the quality of our audit work - understanding the features of best practice in the areas under audit and also auditing techniques applied. It also includes some standardised reporting templates.
Professional training, CPD and development	Staff are suitably professionally qualified or working towards a relevant qualification. There is a full programme of continuing professional development and training provided by BDO LLP and to specific members of the BDO LLP relating to internal audit, risk management and governance.
Quality assurance improvement programme (QAIP)	The BDO LLP has an internal audit Quality Assurance Improvement Programme (QAIP). Such a programme is a requirement of international internal auditing standards. It ensures that any issues identified by the quality processes are assigned actions and resolution is monitored. Specific improvements required are directed to the relevant person - generic changes to processes are recorded and tracked using the firm's internal audit quality group.
Cold review	The BDO Risk and Advisory Services Group conducts an internal 'cold review' of its internal audit working practises, reports and files annually. The findings feed into the QAIP.
External Quality Review	A full External Quality Assessment over BDO was conducted in 2021/22. We received the highest award level - "Generally Conforms".

Limitations - We have prepared the Internal Audit Annual Report and undertaken the agreed programme of work as agreed with management and the Audit and Risk Assurance Committee.	
Opinion	Our opinion is based on the work undertaken as part of the Audit Strategy and Plan. The work addressed the key risk areas agreed for each individual internal audit assignments as set out in our individual assignment terms of reference. There might be weaknesses in the system of internal control that we are not aware of because they did not form part of our programme of work, were excluded from the scope of individual internal audit assignments or were not brought to our attention. As a consequence the reader should be aware that our opinion may have differed if our programme of work or scope for individual reviews was extended or other relevant matters were brought to our attention.
Internal control systems	Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.
Future periods	Our assessment of controls relating to the HCPC is for the year ended 31 March 2025. Historic evaluation of effectiveness may not be relevant to future periods due to the risk that: the design of controls may become inadequate because of changes in operating environment, law, regulation or other; or the degree of compliance with policies and procedures may deteriorate.
Management's responsibilities	It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems. We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected, and our examinations as internal auditors should not be relied upon to disclose all fraud, defalcations or other irregularities which may exist.

Health & Care Professions Council

Appendix IV: Summary of medium priority recommendations

Summary of key findings from assignments undertaken in the year

Stakeholder engagement

Moderate (Design)

Moderate (Operating Effectiveness)

Priority Level	Findings and Recommendations
Medium	<p>Finding:</p> <p>A framework for managing stakeholders such as a well-defined strategy, supported by a plan and underpinned by policies, procedures and guidance helps to ensure that staff act in a consistent and agreed manner to manage engagement with stakeholders.</p> <p>Guidance: A communications strategy 2024-2026 (the strategy) is in place which refers to communications with stakeholders at a high level. The strategy was not (at the time of the audit) underpinned by a stakeholder plan to detail how stakeholders will be engaged such as wider stakeholder projects, e.g., meetings or webinars sessions with all registrants, wider publications etc to keep stakeholders engaged and interest piqued. Since the audit fieldwork, a relationship management document 2025 has been developed which depicts a proposed schedule of meetings for the Chair, CEO and deputy CEO. The document includes stakeholders, purpose, attendees and frequency. Furthermore, policies procedures and guidance are not in place to guide staff operationally on how to manage stakeholder relationships and ensure consistency within the assigned stakeholder groups. Key elements such as purpose and scope of engagements, periodic objectives, who the key and strategic stakeholders are and how regularly they are engaged is not formally documented.</p> <p>Documenting stakeholder management: Interaction with the different stakeholder groups is recorded on OneNote or an equivalent (such as on MS Planner) to enable and ensure that there is a clear and documented trail of interaction to help avoid duplication of engagement and to support in efficient management. We note that should the relationship manager be on leave, or leave the business, there is no other individual within HCPC who is fully aware of how professional bodies are managed as a stakeholder group, the group that HCPC is there to regulate.</p> <p>Stakeholder group management: Whilst we were made aware of the three types of core stakeholder groups and who manages these, this is not formally documented.</p> <p>Management of stakeholder queries: HCPC may be contacted via different channels by stakeholders. The stakeholder may contact HCPC for simple data requests, meeting requests or specific queries with the CEO or Chair. It was not clear how queries received from different stakeholders are escalated and triaged and subsequently referred to the most suitable stakeholder lead. There is no log maintained of the queries that are received, and how they are managed.</p> <p>Where a formal plan, supported by policies, procedures and guidance are not in place to help ensure that stakeholder groups are managed in a consistent manner there is a risk that stakeholders are not managed in an optimised way to maintain a good relationship.</p> <p>Recommendations:</p> <p><i>We recommend that HCPC:</i></p> <ul style="list-style-type: none"> - Develop a stakeholder plan for the short to medium term for all stakeholder groups - Develop documented policies, procedures and guidance for how to manage different stakeholder groups and who manages different groups. Identify and implement best practice from each methodology. (This will help to prevent any risk from key person dependency). - Develop a stakeholder query log that details queries / comments that have been received, who receipted them, how they were managed (i.e. what team the query was referred to) and any subsequent actions <p>Management have agreed to implement the prescribed recommendations by March 2026.</p>

Summary of findings from assignments undertaken in the year

Stakeholder engagement, continued		Moderate (Design)	Moderate (Operating Effectiveness)
Priority Level	Findings and Recommendations		
Medium	<p>Finding:</p> <p>Appropriately detailed contracts between organisations and third parties help to ensure clarity on roles and responsibilities and the expectations for the successful delivery of the contract.</p> <p>Luther Pendragon was appointed as the outsourced stakeholder facilitation team from April 2022, with an extension letter signed in December 2023 securing the service until 31 March 2025.</p> <p>The contract documented several bullet points of services that Luther Pendragon would provide such as ‘management of media at up to seven events, working with departmental press office’ etc, it does not clearly articulate how this would work in practice and how Luther Pendragon would support HCPC to sufficiently manage its stakeholders. For example, facilitating the management of high-profile individuals such as MPs, there was no narrative to describe how this would work.</p> <p>Furthermore, as per finding 1, as there is no Stakeholder Plan or clear policies and procedures for managing stakeholders there is a lack of clarity of how Luther Pendragon and their services fit within the organisation, or how knowledge is shared across HCPC & Luther Pendragon. While this is known informally by colleagues within the organisation, further clarity and documentation would be beneficial.</p> <p>The lack of detailed roles and responsibilities in the contract can lead to confusion, sub-optimal stakeholder management and inefficiencies. Without clear guidelines, there may be overlaps or gaps in stakeholder management, which could affect the quality of communication and coordination between Luther Pendragon and HCPC.</p> <p>Recommendations:</p> <p><i>We recommend that HCPC:</i></p> <ul style="list-style-type: none"> - Review and update the arrangements in place with Luther Pendragon for the management of stakeholders for HCPC. The expectations should be set and documented and include who Luther Pendragon report to, the remit of their role, where they record information, set timeframes and key performance indicators (KPIs) for stakeholder management. <p><i>Management have agreed to implement the prescribed recommendations by March 2025.</i></p>		

Summary of findings from assignments undertaken in the year

Stakeholder engagement, continued		Moderate (Design)	Moderate (Operating Effectiveness)
Priority Level	Findings and Recommendations		
Medium	<p>Finding:</p> <p>Access to information on organisation wide stakeholder engagement helps to prevent duplication and lends to an efficient and effective process.</p> <p>Stakeholder engagement led by Luther Pendragon is uploaded onto OneNote by the Governance team. Luther Pendragon do have regular meetings with HCPC staff, but do not have access to OneNote to keep up to date on and 'see' when appropriate to do so, stakeholder engagement activity that has taken place or is planned to take place. This has meant that work completed by Luther Pendragon is not as efficient as it could be and could ultimately result in inefficiency and a duplication of work.</p> <p>Information regarding stakeholder engagement could be shared more effectively internally, and this has already been identified by HCPC staff. HCPC are looking to submit a business case for a CRM solution to allow better access across the organisation.</p> <p>Where Luther Pendragon does not have access to all stakeholder interaction notes and material there is a risk that Luther Pendragon cannot undertake their role efficiently which could lead to gaps in their knowledge and ultimately a duplication of work for the Chair, CEO and deputy CEO.</p> <p>Recommendations:</p> <p><i>We recommend that:</i></p> <ul style="list-style-type: none"> - HCPC should identify how Luther Pendragon can gain access to information on other stakeholder engagement activity undertaken by HCPC on an ad hoc basis. Any 'confidential or sensitive' information could be restricted. <p><i>Management have agreed to implement the prescribed recommendations by March 2026.</i></p>		

Summary of findings from assignments undertaken in the year

Environmental sustainability		Moderate (Design)	Moderate (Operating Effectiveness)
Priority Level	Findings and Recommendations		
Medium	<p>Finding:</p> <p>The engagement of a variety of stakeholders is critical to the development of an environmental strategy as it enables an organisation to fully consider and assess the importance, risk, opportunity, and impact of differing factors to different stakeholder groups whose views are likely to differ.</p> <p>Wider Stakeholder consultation: The environmental strategy was developed based on collaboration between the external consultants (Acclaro Advisory) as the subject experts, and the ELT and SLG. Wider employees' views were not considered, though we note that these are now being sought via employee forum meetings. Although HCPC consulted with some comparable regulators, there was limited discussion outside of these groups, such as with registrants, service users, suppliers, and communities.</p> <p>Gap analysis: Although a gap analysis was performed over HCPC's strengths and weaknesses in relation to 24 ESG topics, the development of the environmental strategy was not supported by a formal materiality assessment. It is good practice to undertake this exercise as a starting point to producing a strategy, to align strategy decisions to stakeholders' opinions. A materiality assessment differs from the gap analysis; areas HCPC is strong in per the gap analysis may not correlate to areas that stakeholders deem to be the most important. Similarly, HCPC may direct attention to areas it is weak in, but this may result in misplaced use of resources if the weak areas are not of overall importance to the organisation. It is also important to specifically consider the impact actions have across each area as an action may have a positive impact in one area but a negative impact in another.</p> <p>Sustainability framework: The consultant's report also notes that organisations that have achieved best practice use a sustainability framework based on higher international frameworks. However, HCPC's environmental strategy does not indicate that any frameworks were used to underpin referred practices, or to identify the topics most relevant and important to HCPC, such as internationally recognised ESG frameworks such as the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI), or the United Nations Sustainable Development Goals (SDGs).</p> <p>Without considering wider stakeholder views, recognised frameworks or conducting a materiality assessment, HCPC may be unaware of what its key stakeholder priorities are and those that have the greatest potential (positive or negative) to its business. Thus, there may be a misalignment between these priorities and the themes included within the environmental strategy. By not using recognised frameworks, the company risks missing opportunities to improve its environmental impact. This could affect the credibility, efficiency, and effectiveness of the environmental strategy.</p> <p>Recommendations:</p> <p><i>We recommend that:</i></p> <ul style="list-style-type: none"> - Whilst HCPC has not undertaken a materiality assessment, HCPC has completed key elements via the gap analysis. This was completed via conversations with key stakeholders. HCPC should continue to review their priorities on a regular basis via Council and interaction with the third party consultants. HCPC should continue to identify any areas pertinent to HCPCs business model and the overall strategy. - HCPC should consider using a recognised framework to underpin and direct all HCPC's environmental sustainability work. <p>Management have agreed to implement the prescribed recommendations by March 2026.</p>		

Summary of findings from assignments undertaken in the year

Environmental sustainability, continued		Moderate (Design)	Moderate (Operating Effectiveness)
Priority Level	Findings and Recommendations		
Medium	<p>Finding:</p> <p>A road map should be supported by clear plans, timelines and task owners to help ensure the timely and accurately delivery of the map and to help prevent any areas of non-achievement. As environmental strategies cut across many organisational activities and processes, it is harder to keep an organisation on track with a sustainability plan without clear task ownership and strategic oversight.</p> <p>Although an environmental roadmap has been created (see Appendix I), this is not supported by defined roles and responsibilities for implementation, specific timelines, prioritisation, or action plans.</p> <p>Updates against the environmental strategy is reported to the PRC and Council, which shows that HCPC is making good progress, however the roadmap is not specifically referenced, nor progress listed against each area.</p> <p>Without defined roles and responsibilities, it is unclear who is accountable for implementing the roadmap. This can lead to delays and inefficiencies. The absence of specific timelines and prioritisation means that the organisation may miss critical deadlines, affecting overall progress. By not specifically referencing the roadmap in progress reports makes it difficult to track specific achievements and areas needing improvement.</p> <p>Recommendations:</p> <p><i>We recommend that:</i></p> <ul style="list-style-type: none">- The roadmap should be supported by action plans outlining who is responsible, timelines, and to allow progress tracking <p><i>Management have agreed to implement the prescribed recommendations by September 2026.</i></p>		

Summary of findings from assignments undertaken in the year

Outreach		Moderate (Design)	Moderate (Operating Effectiveness)
Priority Level	Findings and Recommendations 1 - 3		
Medium	<p>Finding:</p> <p>To be an effective regulator and provide an effective outreach service, the regulator needs to understand its stakeholder population - where they are, who they are employed by, their profession, and what their views and needs are.</p> <p>Through discussion with the outreach central team and the Professional Liaison Consultants, we established that HCPC currently engages mostly with stakeholders who can and are willing to engage with them, but not those harder to reach stakeholders, professions, sectors and geographical areas, in a holistic and strategic way. Some professions remain largely untouched, and in England, the one Consultant is spending most of his time responding to leads and enquiries arising from previous events and word of mouth.</p> <p>Moreover, the data available to HCPC to assess the comprehensiveness of their coverage and to reach out to more isolated groups is limited, because HCPC does not hold many data points relating to their registrant population. In particular, it does not hold data on the registrant's employer and workplace location.</p> <p>The net effect is that the outreach service is tactical rather than strategic in its coverage and its management of risk. Another effect is that it limits the effectiveness of its intelligence gathering capacities. That being said, HCPC has taken a strategic decision to focus on current 'hot topic's such as sexual safety and professional boundaries in the emergency professions such as paramedics. Targeting this area is based on empirical risk evidence from FtP data. HCPC has also taken the opportunity to use the sessions more generally to allow stakeholders to get to know HCPC. Prior to the outreach team forming, many stakeholders had never met or seen an HCPC representative before.</p> <p>The outreach function fails to make the impact it set out to, focussing on the 'lower hanging fruit' and easy to reach communities, which may not be representative of the stakeholder population or where the risks or greatest needs are located.</p> <p>Recommendations:</p> <p><i>We recommend that HCPC should:</i></p> <ul style="list-style-type: none"> - Develop a list of 'must have' datasets that should be incorporated in future system upgrades, such as the employer's name and workplace location. - Take a more strategic approach to coverage of professions, geographical areas and groups, informed by FtP and other data, refining the picture as more data sets become available. - Develop a strategic resource plan on the basis of the resource needs, with due consideration to coverage (Rec 2) cost realism, likely risks and organisational risk appetite. <p><i>Management have agreed to implement the prescribed recommendations by September 2025.</i></p>		

Summary of findings from assignments undertaken in the year

Outreach, continued		Moderate (Design)	Moderate (Operating Effectiveness)
Priority Level	Findings and Recommendations		
Medium	<p>Finding:</p> <p>Our experience of the similar function in the General Medical Council is that any outreach service is likely to be exposed to hostile interactions with registrants or other stakeholders. During the aftermath of the Dr Bawa-Garba case, the GMC’s regional liaison officers were subject to particularly harsh verbal abuse from stakeholders, requiring intervention and attendance by members of the GMC’s senior leadership team at the height of the controversy and with some outreach officers needing to take sick leave.</p> <p>We found that HCPC’s outreach consultants have been treated very well by their audiences so far. Many participants have been very complimentary about the quality and professionalism of the outreach team. However, HCPC has not prepared the Consultants with the training and tactics to handling difficult audiences, should they arise. Support for the Consultants is good now, but it will need to be bolstered during a crisis situation.</p> <p>Unprepared presenters in a hostile setting could lead to staff absences and declining morale.</p> <p>Recommendations:</p> <p><i>We recommend that HCPC should:</i></p> <ul style="list-style-type: none">- Provide ‘hostile audience’ training for outreach staff and have an emergency response plan. <p><i>Management have agreed to implement the prescribed recommendations by November 2025.</i></p>		

Summary of findings from assignments undertaken in the year

Data privacy

Moderate (Design)

Moderate (Operating Effectiveness)

Priority Level	Findings and Recommendations
Medium	<p>Finding:</p> <p>Article 30 of the UK Data Protection Act 2018 and EU General Data Protection Regulation requires organisations to document organisation-wide data processing activities in a Records of Processing Activity(RoPA). The RoPA should be a live document which forms the foundation of data protection governance and is the basis of other compliance areas, including the accuracy of privacy notices and data subject rights procedures. Organisations are also required to document and appropriately justify a lawful basis for each processing activity as required by Article 6 of the UK GDPR to demonstrate that personal data is processed ‘lawfully, fairly and transparently.’</p> <p>Data controllers should also have complete oversight of third-parties with whom personal data is shared, to ensure that contracts are in place which include the relevant data processing clauses, as well as oversight of international data transfers (outside the UK or EU/EEA) to ensure that appropriate safeguards are in place, where applicable.</p> <p>HCPC developed a RoPA using Microsoft Excel and has taken the decision to publish via the website, even though this is not a regulatory requirement. Typically, Organisations primarily comply with the transparency principle by communicating data processing activity via the privacy notices. Overall, we noted that the HCPC RoPA is high level and the concern is that the desire to publish the RoPA via the website limits the granularity of the information contained within the document, (for example systems in which personal data is stored, and the names of third-party processors, which could be considered commercially sensitive).</p> <p>We also noted the following:</p> <ol style="list-style-type: none"> 1. The RoPA was developed using categories of data subjects as the driver, rather than the purpose for processing, which impacts on HCPC’s ability to define the lawful basis for processing, identify third-party data transfers and systems in which data is stored. Furthermore, the lawful basis for processing in the RoPA has been allocated against the category of personal data (i.e. name, title, date of birth) rather than the purpose of processing (required by Article 6 of the UK GDPR (and Articles 9 and 10, if processing special category or criminal offence data). As a result, HCPC is unlikely to have an accurate view of the lawful bases for processing across the organisation. 2. Column D in the RoPA requires HCPC to define internal and external data transfers, however HCPC has not defined third-parties or their location in the RoPA, to evidence oversight of international transfers, where additional safeguards may apply. Although, the procurement team maintains a list of contracts which includes the names of the vendors and contract details, this is not linked to data processing activities in the RoPA. 3. The RoPA does not include version control, to evidence regular review <p>If the RoPA does not accurately define the purpose of processing in sufficient detail, HCPC cannot evidence complete oversight of organisation-wide data processing activity, in-keeping with the accountability principle. This also increases the risk that HCPC will not comply with other requirements, such as ensuring the accuracy of privacy notices, in-keeping with the transparency principle.</p> <p>If HCPC does not have organisation-wide oversight of third-party transfers, it cannot ensure that contracts are in place which include the relevant data processing clauses. There is also an increased risk that in the event of a notifiable third-party data breach (at a third party), HCPC will not be notified promptly to communicate this to the ICO within 72 hours</p> <p>If the RoPA does not define the lawful basis for processing personal data (Article 6) and additional conditions for processing special category data (Article 9) for each processing activity, HCPC cannot evidence that personal data is being processed lawfully and fairly. Furthermore, the DPO will not have complete oversight of data processing activities based on consent or legitimate interest, where additional compliance requirements apply.</p>

Summary of findings from assignments undertaken in the year

Data privacy finding 1 continued		Moderate (Design)	Moderate (Operating Effectiveness)
Priority Level	Findings and Recommendations		
Medium	<p>Recommendations:</p> <p>HCPC should reconfigure the RoPA to document;</p> <ol style="list-style-type: none">1. Purpose of processing2. Data processed3. Categories of data subjects4. Single most appropriate lawful basis for processing5. Additional conditions for special category data6. Name of third-party data processors and joint controllers7. Locations of third-party data processors and joint controllers8. Systems in which personal data is stored. <p>Incorporate version control in the RoPA to evidence regular review and to ensure that the RoPA is updated on an on-going basis (at a minimum annually).</p> <p><i>Management have agreed to implement the prescribed recommendations by 30 April 2025.</i></p>		

Summary of findings from assignments undertaken in the year

Data privacy, continued

Moderate (Design)

Moderate (Operating Effectiveness)

Priority Level	Findings and Recommendations
Medium	<p>Finding:</p> <p>Individuals have several rights in relation to their personal data, which include the right to access, right to rectification, right to erasure, right to restrict processing, right to data portability, right to object and rights related to automated decision-making including profiling. Organisations are required to process data subject rights requests as soon as possible or within one calendar month of receipt.</p> <p>HCPC has developed a 'Dealing with Personal Data Requests' procedure which defines the internal process to follow when a data subject access rights request is received. HCPC has developed a process map using Visio that documents the flow of the internal process for managing data subject rights requests. However, we noted that the procedure does not include the following :</p> <ol style="list-style-type: none"> 1. The process to follow when any data subject rights request is received (such as the right to rectification, the right to erasure, the right to restrict processing, the right to data portability, the right to object, rights in relation to automated decision making and profiling). 2. Key timescales i.e. as soon as possible or within one calendar month (extended by a further two month in certain circumstances). 3. Version control details to evidence regular review. <p>Once received, data subject rights requests are managed by the Information Governance Manager with support of the Compliance Officer and recorded in Frink (system). We noted that:</p> <ol style="list-style-type: none"> 1. Between November 2023 to October 2024, in 9% of cases (16 out of 171 instances), data subject rights request were not processed within one calendar month, with no further extension applied. The Information Governance Manager confirmed that delays occur due to various reasons, such as complex requests, late identification of data subject requests, or delay in forwarding of data subject rights request received by other departments to Information Governance Manager. 2. Frink records the date the ticket was created within the system as a start date for the request, however, this is not always the date when the requestor's identity was confirmed (and when the one calendar month deadline starts). 3. Frink does not distinguish between data subject rights requests and Freedom of Information (FOI) requests which have different deadlines for completion. However, we understand that the Information Governance Manager manually distinguish the data subject rights requests and FOI. <p>In the absence of a documented procedure, which outlines the step-by-step process for managing all types of data subject rights requests, there is an increased risk that in the event of staff absence and/or turnover, HCPC will not be able to process requests within one calendar month, which could increase the risk of complaints, either to HCPC or directly to the Information Commissioner's Office (ICO).</p>

Summary of findings from assignments undertaken in the year

Data privacy finding continued		Moderate (Design)	Moderate (Operating Effectiveness)
Priority Level	Findings and Recommendations		
Medium	<p>Recommendation:</p> <p>HCPC should update the data subject rights procedure to include:</p> <ul style="list-style-type: none">a. The process to follow when any data subject rights requests is received (such as the right to rectification, the right to erasure, the right to restrict processing, the right to data portability, the right to object, rights in relation to automated decision making and profiling).b. Key timescales for completion i.e. as soon as possible or within one calendar month (extended by a further two month in certain circumstances).c. Version control details to evidence regular review. <p>HCPC should promote the data subject rights process internally by:</p> <ul style="list-style-type: none">a. Incorporating the process (for reporting rights requests internally) in mandatory trainingb. Periodic employee awareness initiatives to remind them of internal processes when a data subject rights request is received.c. Asking team leaders to cascade information about the process to their teams. <p><i>Management have agreed to implement the prescribed recommendations by 31 May and 31 March 2025 respectively.</i></p>		

Summary of findings from assignments undertaken in the year

Project benefits		Moderate (Design)	Substantial (Operating Effectiveness)
Priority Level	Findings and Recommendations		
Medium	<p>Finding:</p> <p>It is good practice to develop a range of benefits that consider the final impact on an organisation’s or system’s objectives and to quantify the level of success that the project is intended to achieve. Benefits that are merely to show an intermediate output, such as an increase in the number of transactions being processed, are unlikely alone to show how they affect the broader organisational objectives. Moreover, if the levels of success are not defined (e.g., the desired and intended percentage increase in transactions made per day), projects may be deemed to be a success when their impact might be only marginal, in practice. Also, sometimes achieving some benefits may also arise because of unrelated external factors (and external factors can reduce the benefit magnitude or impact).</p> <p>Financial benefits often quoted the expected level of savings in HCPC. However, we noted that for the projects we selected, HCPC project non-financial benefits tended to describe intermediate or subjective outputs. Also, benefits do not describe how much of an improvement or change was promised or expected, to deem the project as successful. Final outputs and measurable thresholds for success we found were not often articulated.</p> <p>We also noted that the initial benefits identification and onward tracking does not identify and prioritise key benefits from other benefits. Focusing on key benefits and tracking these would be more impactful and less time-consuming to maintain, both in investment cases and for ongoing, in-project benefits tracking.</p> <p>Referencing benefits in terms of intermediate outputs, having ambiguity on levels of success desired and not prioritising benefits dilutes the impact and efficiency of the benefits management lifecycle in projects.</p> <p>Recommendations:</p> <p>During benefits review, at each stage of the project lifecycle, project teams and the review panels (especially the Change and Benefits Forum) should ensure that projects focus on citing the final outputs, define more exactly what success means and prioritise benefits into ‘key benefits’ and ‘other’.</p> <p><i>Management have agreed to implement the prescribed recommendations by April 2025.</i></p>		

Summary of findings from assignments undertaken in the year

Project benefits, continued

Moderate (Design)

Substantial (Operating Effectiveness)

Priority Level	Findings and Recommendations
Medium	<p>Finding:</p> <p>The mitigation of risk is one factor which may influence the justification of an organisation's project investment decision. Moreover, risks could be created by the project for the rest of the organisation, or the project's successful delivery or long-term benefit could be vulnerable to uncertainties and other changes. These risks need to be factored in an investment decisions. For example, a project may be risky because it is inherently difficult to deliver; the likelihood of project benefits materialising may also be at risk due to changes outside of the organisation, or other changes within the organisation. Risks cited in investment cases should tie back to an organisation's objectives.</p> <p>We noted that risk is factored into Project Initiation Documents (PID) - both the risks the project is intended to mitigate and the predicted project delivery risks. However, the investment case template, which precedes the PID, does not directly reference risks.</p> <p>We also noted that projects that do not directly impact the improvement or maintenance in keeping PSA standards will find their investment case harder to write. PSA standards are, rightly, front and centre of the business case template, but there are other risks to the organisation and more upfront articulation of risks will help to give more balance to investment cases and decisions.</p> <p>Management are less likely to assess the risks, either relating to what the project is intended to mitigate, or the risks generated by the project, or sufficiently mindful of the future likelihood and impact of the benefits being achieved.</p> <p>Recommendations:</p> <p>Add key risks as a required section in the investment case template.</p> <p><i>Management have agreed to implement the prescribed recommendations by April 2025.</i></p>

Summary of findings from assignments undertaken in the year

Project benefits, continued

Moderate (Design)

Substantial (Operating Effectiveness)

Priority Level	Findings and Recommendations
Medium	<p>Finding:</p> <p>Those groups charged by an organisation's leadership to review project investment cases and ongoing benefits need to have clear responsibilities and accountabilities, including clear rights of approval or recommendation, and be clear where their role is merely to be informed or consulted. The role of such a group in any organisation is best written down and agreed. Using the RACI (Responsible, Accountable, Consulted, Informed) model helps to clarify the distinction of roles. In many organisations, an Investment Committee has the primary authority as a delegated committee of the board, on the larger investment decisions.</p> <p>We note that HCPC's Change and Benefits Group provide a pivotal role in reviewing the quality of project investment cases and the ongoing monitoring of HCPC's project portfolio. However, the terms of reference states that the group only 'considers' investment cases. It does not make it clear whether the group has the authority to approve or recommend investment cases to ELT for their approval. 'Considers' is a weaker term in terms of governance. Our assessment is that given what the group does and its position in the organisation, it recommends business investment cases to ELT and informs ELT and ultimately Council on progress of HCPC projects and the key issues and risks arising and the outcome of post-project evaluations.</p> <p>Nevertheless, in many organisations, the larger investment approving body is a sub-committee of the board, called the Investment Committee. The investment committee usually has senior representation from finance, HR, IT and board.</p> <p>The Change and Benefits Group may also find itself having to have observations and make recommendations for in-flight projects to take corrective action. The terms of reference is not clear on its authority for live projects.</p> <p>It is unclear what the authority the Change and Benefits Group has. The current terms of reference does not specify if the Group has the authority to recommend or approve, be informed, inform others, etc.</p> <p>Recommendations:</p> <p>Clarify the authority of the Change and Benefits Group, particularly whether it recommends investment cases to ELT for ELT approval. It would also be useful to clarify its authority over live projects. Alternatively, HCPC should stand up an investment committee to conduct the approval on behalf of the board (i.e. Council).</p> <p><i>Management have agreed to implement the prescribed recommendations by September 2024.</i></p>

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