

Audit Committee, 20 November 2018

Internal audit recommendations tracker

Executive summary and recommendations

At its meeting on 29 September 2011, the Committee agreed that it should receive a paper at each meeting, setting out progress on recommendations from internal audit reports.

Most of the information in the appendix is taken from the wording of the internal audit reports. The exception is the 'update' paragraph in the right-hand column, which provides details of progress.

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

Decision

The Committee is requested to discuss the paper.

Background information

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

Resource implications

None

Financial implications

None

Appendices

None

Date of paper

12 November 2018

Recommendations from internal audit reports

Recommendations summary

2018

Strategic and Operational Planning (considered at Audit Committee September 2018)

Recommendations summary

Priority	Number of recommendations
High	None
Medium	2
Low	2
Improvement	1

	Finding and Implication	Recommendation	Priority	Management response	Timescale/ Responsibility
1	<p>Strategic and operational planning processes should be clearly documented and detail the purpose of the strategic and operational planning process and how it should be completed. This would ensure that there is a consistent understanding among relevant stakeholders involved in the process.</p> <p>The documentation should include clearly defined roles and responsibilities for key stakeholders involved in the process, including the Council, the Audit Committee and any other Committees or individuals involved.</p> <p>In line with good practice, organisations typically utilise a policy, which details the process to be taken when making amendments to an organisation's strategy and Corporate Plans. For example, this could be due to changes in regulation, changes imposed by government or internal restructuring or prioritisation.</p> <p>The document should be periodically reviewed and updated as</p>	<p>Management should formally document the strategic and operational planning process. Once completed, the document should be subject to regular review and update.</p> <p>The document should provide sufficient detail regarding the end-to-end process for strategic and operational planning, including key processes such as the strategic away day and completion of work plans.</p>	Medium	<p>The strategic and operational planning process has evolved over a number of years and is now embedded in the organisation.</p> <p>With the introduction of new strategic priorities and the development of a new Corporate Strategy and annual corporate plan, we will take the opportunity to document the process we follow and will also refresh the process map we have in the Quality Management System.</p>	<p>Owner: ED of Policy and External Relations</p> <p>Agreed date of implementation:</p> <p>End of Q3 2018-19</p>

	Finding and Implication	Recommendation	Priority	Management response	Timescale/ Responsibility
	<p>necessary. Finding</p> <p>Through our interviews performed with the SMT, Business Process Improvement Team and Council, we identified that HCPC does not have a formally documented procedure in place in relation to the strategic and operational planning process, which should include areas such as: key objectives, clearly defined roles and responsibilities, clear guidance on the planning and sign off process, amongst other areas.</p> <p>Whilst we observe that there is discussion, no formal policy (or other form of guidance) exists which details the change process in relation to changes to HCPC's Strategic Intent and Corporate Plan.</p> <p>Implication</p> <p>Without a formal documentation in place, there is a risk of an inconsistent approach to strategy setting, resulting in key strategic risks and opportunities not being captured.</p> <p>Without clearly defined roles and responsibilities, there may be ambiguity regarding the ownership and accountability of the strategic and operational planning processes in place.</p> <p>Without appropriate change management controls in place relating to strategic and operational planning, errors may be made, or amendments not accurately captured.</p>	<p>Management should create a formalised change management process and implement appropriate controls to ensure that changes to the organisations' strategy are captured and updated within the relevant documentation.</p>			
2	<p>Good Practice</p> <p>Stakeholders should be managed based on their level of interest and impact to the organisation. Guidance regarding stakeholder management and prioritisation should be captured in the organisation's Communications Strategy (and other supporting documentation) and reviewed regularly.</p>	<p>Management should introduce a stakeholder map/grid, which identifies and places stakeholders in different quadrants based on their level of interest and impact to HCPC.</p>	Medium	<p>For some time, we have used a stakeholder matrix to support our engagement and communications work. This sets out who all our stakeholders are, by type and organisation as well as their interests and who in the</p>	<p>Owner: ED of Policy and External Relations</p> <p>Agreed date of implementation: End of Q3 2018-19</p>

	Finding and Implication	Recommendation	Priority	Management response	Timescale/ Responsibility
	<p>Finding</p> <p>Effective stakeholder management is a key strategic area for HCPC. Our review of the Communications Strategy and wider documentation identified that whilst stakeholders are clearly identified (e.g. employees, education providers, government, general public and PSA), there is no approach or methodology in place for prioritising stakeholder groups. For example, a grid/matrix is not used to facilitate discussion on their level of interest and impact to the organisation, with targeted plans in place to manage their expectations.</p> <p>Implication</p> <p>Stakeholders may not be managed appropriately as they are not being appropriately classified, and stakeholder activity targeted to the stakeholders in order to ensure maximum effectiveness of activities.</p>	<p>For example, each quadrant could be classified as 'key players', 'keep informed', 'keep satisfied' and 'minimum effort', in line with practice we have observed in other organisations and sectors.</p>		<p>organisation is responsible for leading the engagement. For specific projects or pieces of work, we also identify key stakeholder groups we need to engage with and tailor our communications accordingly.</p> <p>With the development of a new stakeholder engagement and communications plan, we have taken the opportunity to further refine the stakeholder matrix in line with the good practice identified here. This was discussed with Council in their May meeting and the work is currently underway</p>	
3	<p>Good Practice</p> <p>A 'SWOT' (Strengths, Weaknesses, Opportunities and Threats) analysis (or equivalent) should be performed during the strategic and operational planning process, in order to ensure that the organisation is capitalising on its strengths and opportunities, whilst considering initiatives to address weaknesses and potential threats.</p> <p>Finding</p> <p>During the strategic and operational planning process, HCPC does not perform a formal SWOT analysis, which may help the Council and SMT consider strategic and operational areas which may not have been previously considered. Ideas have not yet been fully evaluated and were not documented in the strategic away day documentation that we reviewed.</p>	<p>Management should perform a SWOT analysis (or equivalent) during the next strategic and operational planning process.</p>	Low	<p>This is something we have done in the past at Strategic Away days. However, we agree it would be useful to repeat and document this exercise following changes to the Strategic Intent and with the development of strategic priorities as well as an ever changing external environment. We will take this forward as part of Council and SMT's strategic away day.</p>	<p>Owner: ED of Policy and External Relations</p> <p>Agreed date of implementation: End of Q3 2018-19</p>

	Finding and Implication	Recommendation	Priority	Management response	Timescale/ Responsibility
	<p>Implication</p> <p>Lack of a SWOT analysis during the strategic and operational planning process may result in key areas being missed, weakening the overall process and wider management of strategic and operational areas.</p>				
4	<p>Good Practice</p> <p>A clear process should be in place detailing how the Corporate Plan and strategic priorities are communicated to relevant stakeholders in order to keep them informed of HCPC's strategic direction.</p> <p>Finding</p> <p>Based on our review of the Communication Strategy and supported through discussions with the Communication Team and SMT, we identified that the method in which HCPC communicates its Corporate Plan and strategic priorities to key stakeholders (e.g. Government and Professional Standards Authority (PSA)) is not being performed consistently across the organisation.</p> <p>For example, the Corporate Plan has been discussed with the PSA by the Director of Regulations to highlight the organisation's commitment in ensuring that PSA standards are of strategic importance. In contrast, the Corporate Plan has not been communicated to government representatives (e.g. assemblies and members of parliament) and education providers (e.g., universities).</p> <p>We also noted opportunities for enhanced collaboration between the Communications Team and SMT in terms of tailoring communication to manage stakeholder expectations, for example through implementing Personal Communication Plans (PCPs).</p> <p>At present, through discussion with members of Management, it was identified that SMT members are typically communicating with stakeholders through individual silos. By way of an example, one</p>	<p>The Communications Team should ensure that HCPC's Corporate Plan is consistently communicated to relevant stakeholders, for example through the organisation's intranet, newsletters, CEO communication and/or holding local events/seminars.</p> <p>The Communications Team should create Personal Communication Plans for SMT members and relevant Heads of Department with objectives over the next six to twelve months being documented and progress reviewed.</p>		<p>The organisation's Strategic Intent is a public document and available on our website. Following Council's decision in March to replace this document with a revised Corporate Strategy and corporate plan, we will be undertaking this work in Q3 and will build in communications to relevant stakeholders once this work is completed.</p> <p>In May 2018, the Council discussed a new approach to stakeholder communications and engagement. Part of this was the development of personal communications plans. With the restructuring of the EMT, we recognised this would be a good opportunity to do this and work is currently underway. Collaboration with communications continues, particularly in the development of agendas and briefing notes for stakeholder</p>	<p>Owner: Jacqueline Ladds</p> <p>Agreed date of implementation: End of Q4 2018-19</p> <p>Owner: Jacqueline Ladds</p> <p>Agreed date of implementation: Ongoing</p>

	Finding and Implication	Recommendation	Priority	Management response	Timescale/ Responsibility
	<p>Director currently communicates with the PSA and government representatives directly and does not typically request guidance or support from the Communications Team.</p> <p>Implication</p> <p>Without agreed communication protocols in relation to HCPC's Corporate Plan and strategic priorities, stakeholders such as the PSA, government and education providers may not be aware of the organisation's strategic priorities for the future.</p> <p>A lack of involvement from the Communications Team when communicating to external stakeholders may result in stakeholder needs not being satisfied, or known best practice not being consistently applied across the organisation.</p>			meetings as well daily alerts to external issues.	
5	<p>Good Practice</p> <p>Strategic priorities are captured from the Corporate Plan and translated into detailed work plans, with guidelines in place detailing how the relevant strategic priorities will be achieved.</p> <p>Finding</p> <p>Our testing of the draft work plans for the Communications, Fitness to Practice (FTP) and IT departments indicated that work plans were created in line with the strategic priorities, as included in the Corporate Plan.</p> <p>We identified good practice in regards to the level of detail captured within the work plans reviewed and managements' approach in ensuring that they are aligned to the strategic priorities included in the Corporate Plan.</p> <p>However, we identified that for the Communication's departmental work plan, an inconsistent approach was being used to capture information and no standard templates were in place so that the CEO and Council are able to easily compare the appropriateness and</p>	The SMT should discuss the current work plans for creating work plans and ensure that, where possible, there are standard methodologies and templates in place across the organisation.	Improve ment	<p>There are consistent elements across all of the departmental work plans, for example reference to risks and their mitigations.</p> <p>However, with the restructure of the EMT and the development of three directorates, we will revisit how we can consolidate the work plans to ensure consistency.</p>	<p>Owner: SMT</p> <p>Agreed date of implementation:</p> <p>End of Q3 2018-19</p>

	Finding and Implication	Recommendation	Priority	Management response	Timescale/ Responsibility
	<p>relevance of the information being presented, prior to approval.</p> <p>Implication</p> <p>Without standard templates in place for creating work plans, key information may be omitted.</p> <p>Opportunities to recognise synergies through the organisation may not be captured in the work plans, resulting in departments working in silos.</p>				

Phase 1 Registration Project – Governance and Project Management Review (considered at Audit Committee September 2018)

Recommendations summary

Priority	Number of recommendations
High	None
Medium	2
Low	3
Improvement	1

	Finding and Implication	Priority	Agreed Management actions	Timescale/ Responsibility
1	<p>Good practice</p> <p>Most project management methodologies fall into one of two broad categories: traditional or waterfall style, such as PRINCE2 and agile of which there are a number of varieties. The most appropriate project management approach for a project depends on a number of factors including the nature of the product(s) being delivered, the degree to which the scope may be flexible and the capacity of the organisation to adopt a given approach. It is often the case that a hybrid of waterfall and agile is the most suitable approach. It is good practice to establish the most appropriate methodology by assessment of the features of the particular project.</p>	Medium	<p>The strategic and operational planning process has evolved over a number of years and is now embedded in the organisation.</p> <p>With the introduction of new strategic priorities and the development of a new Corporate Strategy and annual corporate plan, we will take the opportunity to document the process we follow and will also refresh the</p>	<p>Owner: Project board</p> <p>Date Effective: 28 August 2018</p>

	Finding and Implication	Priority	Agreed Management actions	Timescale/ Responsibility
	<p>Finding</p> <p>Phase 1 was described as employing a hybrid approach but overall management, as shown by progress reporting and project plans, was largely waterfall in nature. According to those interviewed in this audit, HCPC as an organisation is not familiar with elements of the agile approach to project delivery. Historically the HCPC Council has favoured the traditional approach based on PRINCE2 whereby the scope of what is to be delivered is, in effect, established and fixed at the outset of the project. There has not been the opportunity to explore different methodology approaches to project delivery at HCPC.</p> <p>Implication</p> <p>Features of a particular methodology or approach to project delivery may make it more effective than another for aspects of a specific project. Where the use of different approaches is not fully considered in terms of their individual applicability, there is a risk that an opportunity to optimise the outcome of a project may be missed.</p>		<p>process map we have in the Quality Management System.</p>	
2	<p>Good practice</p> <p>Organisations should have a standard agreed procurement process and, where that is in place, it is accepted good practice to follow the procedure whenever practical. It is important, however, when procuring goods or services to meet unusual requirements, to recognise that the standard process may preclude the selection of the most appropriate product or service and in this case it is good practice to assess whether the standard procurement procedure might hamper the selection, to ensure there is no compromise in cost, quality or timeliness of product delivery.</p> <p>Finding</p> <p>The G-Cloud framework is a procurement method that involves engaging suppliers that have already been vetted and approved by the Government. It provides a secure procurement channel for public sector organisations and its use is strongly recommended both by the Government and by HCPC's own</p>	Medium	<p>The project must operate within HCPC's Procurement Policy and Procedure: for large value procurement government procurement frameworks or an OJEU tender are the options available; for lower value procurement we can follow internal tender processes for any service provider. Based on the current requirement set, there is no impediment from available suppliers on the G Cloud framework agreement.</p> <p>We will ensure we have an appropriately varied G Cloud longlist and shortlist and engage other vendors for lower value services where</p>	<p>Owner: Project board</p> <p>Date Effective: 1 November 2018</p>

	Finding and Implication	Priority	Agreed Management actions	Timescale/ Responsibility
	<p>internal policies and procedures. Nevertheless, use of G-Cloud restricts HCPC in terms of the development partners it is able to select leading to the exploration of certain options being precluded from the selection process.</p> <p>Implication</p> <p>The Registration Project has a number of business and technical requirements that are not immediately available by a solution “out of the box” or with little configuration which either may not be met by one of the pre-approved suppliers or may cost significantly more than would be the case if an equivalent supplier that is not registered on the framework could be used. There is a risk, therefore, that using the G-Cloud framework may lead to higher costs or to the requirement to remove certain functionality from scope in order to fit the available budget or supplier experience.</p>		<p>necessary. If an appropriately varied G Cloud longlist and shortlist cannot be compiled, we will consider seeking permission to procure using another method.</p>	
3	<p>Good practice</p> <p>As part of good practice, we would expect a detailed assessment should be performed in the project initiation stage to determine the skills and capabilities required for the project delivery stage.</p> <p>Finding</p> <p>Although resources are defined in the Business Case, this is only in monetary terms. There is no formal plan outlining the specific skills or capabilities required to deliver the Registrations Project. During interviews we observed that the team has identified particular resources such as subject matter experts within the business but this has not been formally documented. There is no evidence that such a lack of detailed resource planning actually gave rise to any significant issue in phase 1, however it should be considered as HCPC approached Phase 2.</p> <p>Implication</p> <p>In the absence of a detailed resource plan, there is a risk that appropriate resources may not be secured in advance for the time they are required leading to delays or additional cost to the project.</p>	Low	<p>Currently resource forecasting is captured within the project plan and Gantt chart, with resources labelled during initiation as functions rather than as named individuals. Functional areas are then informed in advance which type of resource will be required and when.</p> <p>Each functional area is then engaged with closer to the time a resource is required in order to get a named individual allocated to the Project.</p> <p>This process will still be followed, however with a separate Resource Plan document. This document will outline the specific skills and capabilities required for the delivery of the project.</p>	<p>Owner: Head of Projects</p> <p>Date Effective: 1 November 2018</p>

	Finding and Implication	Priority	Agreed Management actions	Timescale/ Responsibility
4	<p>Good practice</p> <p>Stakeholder engagement is important to the success of the majority of projects. It is good practice to identify the stakeholder community early in the life of a project and to categorise them based on the type and level of engagement required such as in terms of training and providing input to the "design" process. In order to ensure that stakeholders both within the project team and in the wider context buy into the project aims, it is important to communicate at the appropriate level and timing.</p> <p>Finding</p> <p>The current communications plan for Phase 1 of the Registrations Project is out of date. The plan specifies a planned December 2017 launch of the CPD portal but this deadline has been missed. A number of key stakeholders have now changed and the plan has not been updated to reflect this. Phase 1 requires an updated communications plan in order to ensure that all stakeholders are aware of the CPD portal going live.</p> <p>Implication</p> <p>A communications plan is the principle document used to manage the involvement of key stakeholders in the project. Where the communications plan is not kept up to date, there is a risk that key stakeholders will not be aware of significant changes and how they may be affected and they may not be available when required to provide input to the project.</p>	Low	<p>The communications plan should be amended to account for the delay of the launch of the CPD portal and any changes to the list of key internal stakeholders since the creation of the original communications plan.</p> <p>A standard step should be introduced to review the communications plan whenever a significant change occurs in the project will be added to the HCPC Project Management Methodology.</p>	<p>Owner: Head of Projects</p> <p>Date Effective: 25 September 2018</p>
5	<p>Good practice</p> <p>For the majority of projects, benefits are predominantly realised post go live, often over a period of many years. A process and procedure should be established to ensure that tracking of benefits realisation is started during the project's lifetime and continues into the post-delivery stages. Post-delivery responsibility should be handed to either business as usual or to the business owners of the specific project deliverables.</p> <p>Finding</p>	Low	<p>Standard steps to be added to the HCPC Project Management Methodology, to ensure tracking of benefit realisation is transitioned to the business post-delivery of the Project. Senior users on the Project Board will be engaged during the project initiation to ensure they acknowledge ownership of the project benefits.</p>	<p>Owner: Head of Projects</p> <p>Date Effective: 25 September 2018</p>

	Finding and Implication	Priority	Agreed Management actions	Timescale/ Responsibility
	<p>Management has a defined benefits tracking approach, where benefits are identified, and estimated using a standard methodology. There is currently no process in place to hand over the monitoring of the Registration Project benefits to the business post-delivery of the Project.</p> <p>Implication</p> <p>The principal justification for a project is that benefits will exceed the costs. Where benefits are not appropriately tracked, there is a risk that not all benefits will be realised as expected and that the opportunity to obtain additional benefits will be missed.</p>		<p>The project benefits tracker will be handed over at the end of the project, including details of each expected benefit, how they will be monitored and to whom they will be reported.</p>	
6	<p>Good practice</p> <p>Where a project's delivery is divided into a number of significant phases or stages, it is good practice to perform a formal review of the project's readiness to move through the gateway between phases. Essentially, there will be a set of steps that should be completed both before the project is permitted to exit a given phase and before it can enter the next. In effect the phases form a set of linked subprojects. The final gateway is generally termed project closure.</p> <p>Finding</p> <p>HCPC has not yet introduced a formal Gateway review process to determine the conditions through which a project may transition to its next phase. In effect, such a review has been performed by the project team on an informal basis.</p> <p>Implication</p> <p>In the absence of a formal gateway review process for major projects, there is a risk that actions will not have been completed that could significantly affect the chances of success in future phases of the project.</p>	Improvement	<p>Management should develop a formal gateway review process, with clearly defined entry and exit criteria, to ensure consistency in project governance practices and that the project is fit for delivery.</p> <p>Specifically, to ensure that the project is ready to transition to phase 2, there will be a set of actions/tasks to be completed in phase 1 and a number of actions concerned with set-up for phase 2.</p>	<p>Owner: Project Board</p> <p>Date Effective: 1 November 2018</p>
7	<p>Good practice</p> <p>The process of authorisation of decisions for a project should be approached</p>	Improvement	<p>As per the HCPC Project Management Process, SMT are the decision-making authority for the Project. As of</p>	<p>Owner: SMT</p> <p>Date Effective: 28</p>

Finding and Implication	Priority	Agreed Management actions	Timescale/ Responsibility
<p>according to the risk of the activity. To ensure that the decision making process does itself introduce unnecessary delays, appropriate procedures to speed the process should be in place.</p> <p>Finding</p> <p>Currently, any significant approval/authorisation with regard to project delivery is made by HCPC's Council which generally meets on only a few occasions each year. If an item requiring approval is not presented in time for a meeting of the Council, it must wait till the next formal meeting which is generally a number of months later which as a consequence introduces delay to the project. In particular, delays by Microsoft in providing appropriate licence keys, have caused delays in testing that may as a consequence delay submissions to the Council for approval. We have witnessed similar delays in projects in other organisations.</p> <p>Implication</p> <p>Where the decision making process for the execution of a project relies on the schedule of formal meetings of a decision making body which occur only infrequently, there is a risk that substantial delay may be introduced to the project unnecessarily. This may also increase costs through resources not being fully utilised in the interim period and will delay the realisation of benefits.</p>		<p>September 2018, meetings during which papers can be presented for decisions will be held fortnightly instead of monthly. If required, delegation of decision making to an individual or smaller group will be considered.</p>	<p>August 2018</p>

Budgeting, Forecasting and extended Key Financial Controls Review (considered at Audit Committee June 2018)

Recommendations summary

Priority	Number of recommendations
High	None
Medium	7
Low	3

	Finding and Implication	Recommendation	Priority	Management response	Timescale/ Responsibility
1	<p>Good Practice</p> <p>Budgeting policies and procedures should be in place, outlining the end-to-end process, roles and responsibilities (for budget holders and reviewers) and review and sign-off procedures. There should be a clearly defined policy owner and reviewer as well as a periodic review of policies and procedures, to ensure that they remain fit for purpose.</p> <p>Finding</p> <p>We reviewed HCPC's Financial Operating Guidelines for new Budget Holders and noted that there was guidance relating to the budgeting process, key stakeholders' roles and responsibilities, and the wider end-to-end process. It was however identified that there is no requirement within the budgeting policies and procedures to submit supporting documentation in order to ascertain how the budget lines have been calculated. Refer to recommendation four, also, where it was observed for one department that supporting documentation was not provided for all expenditure included in the budget.</p>	<p>The Financial Operating Guidelines for New Budget Holders should include guidance regarding when supporting documentation is required to be submitted in the budget templates (i.e. where the budget line item represents 5% of the total budget value in line with HCPC expectations).</p> <p>Management should ensure that all policies and procedures relating to the budgeting process have clearly defined policy owners and reviewers. There should be a mandatory requirement to review relevant policies and procedures, as a minimum on an annual basis, with version control in place to ensure that budget holders are using the latest version.</p>	Medium	Updated Guidelines for New Budget Holders to be reviewed by SMT before end of Q3. Document to be communicated out to all budget holders after approval by SMT.	<p>Owner: Director of Finance</p> <p>Agreed date of implementation:</p> <p>From December 2018</p>

	Finding and Implication	Recommendation	Priority	Management response	Timescale/ Responsibility
2	<p>Good Practice</p> <p>Appropriate guidance and controls should be in place for changes to the budget post Council approval. For example, additional spend on Capex. The approval process should be documented in the Financial Operating Guidelines and HCPC's Delegation of Authority (or equivalent).</p> <p>Finding</p> <p>There is no formal guidance in place detailing how changes to the budget should be managed post approval from the Council. The only relevant guidelines observed during the audit fieldwork related to the need for budget holders to achieve their budget to within +/- 5%.</p> <p>We also identified that there is no process in place regarding approval thresholds in instances where budget holders require additional spend due to unplanned events.</p> <p>Implication</p> <p>Without appropriate change management controls in relation to amendments to the approved budget, additional expenditure may be incurred by HCPC which is not communicated to key stakeholders such as EMT, CEO, Council and the Audit Committee.</p>	<p>Management should include a change management section within the Financial Regulations detailing the change management process, and in particular relevant review and sign-off procedures.</p> <p>Approval thresholds (in percentage terms or absolute values) should be clearly documented in the Financial Operating Guidelines. In instances where budgets need to be amended, this should be formally captured and appropriately reviewed in line with the agreed thresholds.</p>	Medium	<p>We will review the processes for virement in the Financial Regulations and the Financial Operating Procedures that are made under the Financial Regulations. Any changes will be proposed to the November Audit Committee meeting.</p>	<p>Owner: Director of Finance</p> <p>Agreed date of implementation: From December 2018</p>
3	<p>Good Practice</p> <p>All amounts included with budget template spreadsheets are linked to supporting documentation to ensure that the correct amounts are being recorded, and are appropriately supported with clear evidence. Budget holders should be able to clearly justify costs through supporting documentation or through adequate justification for each budget line item.</p> <p>Finding</p>	<p>The Finance Team should ensure that, going forward, all budget template submissions and supporting evidence has been provided to validate the expenditure lines. In instances where this has not been adhered to, the Finance Team should seek further justification and</p>	Medium	<p>A threshold will be set out in the "Guidelines for New budget holders" and once approved; we will distribute this out to each budget holder.</p> <p>Finance will ensure that supporting documents are obtained for all expenditure lines above the threshold.</p>	<p>Owner: Head of Financial Accounting</p> <p>Agreed date of implementation: By December 2018</p>

	Finding and Implication	Recommendation	Priority	Management response	Timescale/ Responsibility
	<p>Through our testing of the IT and Fitness To Practice divisions' budget templates, we identified good practice in terms of supporting documentation and audit trails being available for review. For both divisions, each line item populated in the budget template was linked to supporting workings, in order to justify the costs included. However, we reviewed the Communications budget template and noted that certain amounts had been populated without a reference to supporting documentation/relevant worksheets. For example, values were manually entered into cells for the 2017/2018 budget templates totalling approximately £335k without any supporting documentation. As a result, we were unable to comment on the accuracy of budget line items against supporting information.</p> <p>Implication</p> <p>Inputting amounts into spreadsheets without reference to supporting worksheets, or other supporting information, may result in inaccurate or inappropriate budgets being produced.</p>	evidence.			