
Internal Audit Progress Report 2023-24

Executive Summary

This report presents the Audit and Risk Assurance Committee (ARAC) with an update on internal audit activities, specifically progress made in respect of delivery of the Internal Audit Annual Plan for 2023-24.

BDO have provided a status update against individual audits, including those that are underway and yet to be completed. We have also included our wider quarterly not for profit thought leadership digest.

Previous consideration	The Committee reviews the Internal Audit Progress Report at each meeting
Decision	To note and discuss
Next steps	The Committee will receive update reports at each meeting on the progress of the Plan.
Strategic priority	All
Risk	All
Financial and resource implications	None as a result of this report
Author	BDO LLP

A photograph of two ambulance staff members, a woman on the left and a man on the right, both wearing green uniforms. They are standing in front of the open rear of a yellow and red ambulance. The woman is wearing glasses and has a friendly expression. The man is also smiling. The ambulance has 'AMBULANCE' written on the man's uniform. The background shows a clear blue sky and some trees.

THE HEALTH AND CARE PROFESSIONS COUNCIL (HCPC)

INTERNAL AUDIT PROGRESS REPORT 2023

NOVEMBER 2023

CONTENTS & OVERVIEW

1. CONTENTS & OVERVIEW	2
2. BDO UPDATE	3
3. INTERNAL AUDIT PLAN PROGRESS 2023	4
4. APPENDICES: DEFINITIONS AND SECTOR UPDATE	5

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OVERVIEW

This report presents the Audit and Risk Assurance Committee (ARAC) with an update on internal audit activities, specifically progress made in respect of delivery of the Internal Audit Annual Plan for 2023/24.

In the following section we have provided a status update against individual audits, including those that are underway and yet to be completed. We have also included our wider quarterly not for profit thought leadership digest.

The ARAC is requested to note this report.

BDO UPDATE

ARAC - November 2023

Introduction

The main purpose of this report is to update the Audit, Risk and Assurance Committee (ARAC) on the progress made in delivering the Internal Audit (IA) plan since the last ARAC in September 2023. This report has been prepared on the basis of work performed up to 6 November 2023.

Progress of the 2023/24 IA Plan

We have made good progress in delivering audits in line with the approved 2023/24 Plan. We have issued the Regulatory Policy Development review, Partners and Payroll IR35 in final.

The Procurement of Large contracts review has been issued in draft and the fieldwork for People Strategy is complete.

The annual follow up of audit recommendations is set to take place in Q4, as planned.

Project Management Review

The project teams are currently working on ensure the safe roll out of Business Central, the finance system. This has led to the start date for our project management review to be postponed from Quarter 3 to 4. The scope of the work has been agreed and remains unchanged.

Mentoring programme

As part of our work with HCPC, we offer a mentoring programme for HCPC staff with relevant work responsibilities. This is primarily directed to the second line quality assurance team, led by Anna Raftery.

We have agreed paired the list of mentors to mentees:

Bill Mitchell - Anna Raftery

Dan Bonner - Aveen Croash

Heather Buckingham- James Wilson & Nasia Nicou-Panayiotou

Ian Williams (Senior Auditor)- Aleks Smirnovs

Changes to the Audit Plan

There have been no changes to the audit plan.

Recommendation

ARAC are requested to note progress in delivery of the internal audit work.

ARAC are also requested to approve the Internal Audit Charter for 2024/25.



INTERNAL AUDIT PROGRESS - 2023/24

REPORT	STATUS	PLANNED DELIVERY	Actual Delivery	OVERALL REPORT CONCLUSIONS					
				ASSURANCE LEVEL		H	M	L	TOTAL
				DESIGN	EFFECTIVENES S				
Registration assurance & processes & international registrants (first and second line review)	Final report	Q2/3	Aug 23	MODERATE	MODERATE	-	2	-	2
Partners	Final report	Q2	Aug 23	MODERATE	MODERATE	-	2	-	2
Regulatory policy development	Final report	Q1	Aug 23	MODERATE	MODERATE	-	1	3	4
People strategy	Fieldwork complete	Q2	Sep 23	-	-	-	-	-	-
Project Management	TOR agreed	Q1-4	Feb 24	-	-	-	-	-	-
Procurement of large contracts	Draft report issued	Q3	Nov 23	-	-	-	-	-	-
IR 35 and payroll	Final report	Q4	Oct 23	LIMITED	LIMITED	1	4	-	5
Follow-up	Scoping to be held	Q4	Jan 24	-	-	-	-	-	-



APPENDIX I: DEFINITIONS

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

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

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