

Audit and Risk Assurance Committee

Minutes of the meeting of the Audit and Risk Assurance Committee held in public on:

Date: Wednesday 11 June 2025

Time: 2pm

Venue: Videoconference (Microsoft Teams)

Members: Lianne Patterson (Chair)
Graham Masters
Sejal Patel¹
Catharine Seddon

Apologies: David Stirling

Attendees: Aihab Al-Koubaisi, Financial Controller
Claire Amor, Executive Director of Corporate Affairs
Claire Baker, Head of Adjudication Performance
Francesca Bramley, Governance Manager
Alastair Bridges, Executive Director of Resources
Heather Buckingham, BDO LLP
Roy Dunn, Chief Information Security and Risk Officer
Caroline Esan, Registration Appeals Coordinator
Sarah Halsey, Registration Advisor
Nicole Jones, Improvement and Compliance Specialist
Alan Keshtmand, Head of Finance and Commercial
Bill Mitchell, BDO LLP (from 15:30)
Marcel Lawson, Registration Advisor
Muna Mohmuod, Registration Advisor
Patricia Morrissey, Head of Governance
Ife Ojo, Commercial Business Partnering Manager (Item 12)
Anna Raftery, Head of Assurance and Compliance
Daniel Reay, National Audit Office (NAO)
Jason Roth, IT Platforms and Architecture Lead
Andrew Smith, Executive Director of Education, Registration and
Regulatory Standards and Deputy Chief Executive
Darren Stewart, NAO

¹ Council Apprentice

Katarzyna Szklarska, IT Team and Contracts Officer

A brief closed session for Committee members and auditors only took place ahead of the public meeting.

1. Welcome and introduction

- 1.1. The Chair welcomed those present to the meeting of the Audit and Risk Assurance Committee (the Committee), including those attending or observing the meeting for the first time.

2. Apologies for absence

- 2.1. Apologies for absence for the public session of the meeting had been received from David Stirling.

3. Approval of agenda

- 3.1. The Committee approved the agenda.

4. Declarations of members' interests in relation to agenda items

- 4.1. There were no interests declared. Declarations of interest for new Council members had been published on the HCPC website [here](#).

5. Minutes of the Audit and Risk Assurance Committee meeting held in public on 12 March 2025

- 5.1. The Committee approved the minutes of the meeting of the Committee held in public on 12 March 2025 as an accurate record of that meeting.

6. Matters arising

- 6.1. The Committee noted the updates provided in response to the actions from its previous meetings. The Head of Assurance and Compliance noted that the work on feedback and complaints assurance reporting had not progressed due to the volume of work ongoing but was expected to be reflected in the unified assurance report from June 2025 onwards. A detailed update on feedback and complaints was included as a substantive item on the meeting agenda. The Committee acknowledged the positive progress in respect of the remaining actions.

7. Strategic risk register

- 7.1. The Committee reviewed the latest version of the strategic risk register (SRR), which had been refined slightly to provide a more consistent overview. The risk score for strategic risk 5 had reduced from 12 to 10.5 and remained a high/medium risk. While the most recent fee rise had been

implemented and there was a stable budget and reserves for 2024/25, there were ongoing risks around partners contracts, and emerging risks around international application volumes and the SMS/cyber fraud which prevented a further reduction in scoring. Calculations based on <1 were not normally allowed but in this instance a calculation of 0.5 was proportionate.

- 7.2. It was queried whether the risk description and mitigations for risk 2 ought to include how the HCPC proactively monitors feedback and complaints on its standards and the assurance provided to ARAC as to how effective the HCPC's response to such complaints and feedback is in raising standards. In response, the Head of Assurance and Compliance noted that this could also be relevant to risks 1-3 in different ways and that further consideration would be given to updating the SRR to reflect this.

Action: The Head of Assurance and Compliance to review the risk description and mitigations for risks 1-3 and consider the impact of feedback and complaints.

- 7.3. In response to a question from a Committee member relating to the timetable for the next registration fee review, the Executive Director of Resources confirmed that the plans for the next biannual review were under discussion and that ELT was expected to finalise the plans in the autumn. It was agreed that the fee review would be added as a matter arising with an update to be provided in due course.

- 7.4. **Action:** Executive Director of Resources to provide an update on the timing of the biannual review of registration fees.

- 7.5. In response to a question from the Chair regarding the timing of the review of the SRR, the Executive Director of Corporate Affairs noted that the review would be aligned to the development of the new Corporate Strategy which would be completed by the end of the financial year.

8. **Strategic risk deep dive: Freedom to speak up**

- 8.1. The Head of Adjudication and the Head of Assurance and Compliance co-presented on the role of Freedom to Speak Up Guardians at the HCPC and their reflections on their first 6 months providing support and help to colleagues.

- 8.2. The presentation covered the following points:

- the background to the creation of The National Guardian's Office and the role of the Freedom to Speak up Guardian arising from Sir Robert Francis QC's report "The Freedom to Speak Up" (2015);
- the challenges faced by workers in speaking up were not confined to the NHS and to date over 800 Freedom to Speak Up Guardians are operating in over 500 organisations;

- the Freedom to Speak Up Guardians provide another channel for colleagues to speak up within the HCPC and act as a neutral party and bridge between the organisation and the individual speaking up;
- the Guardians are not accountable to ELT or HR and provide an independent report directly to the Audit and Risk Assurance Committee; and
- only a small number of cases had been raised with the Guardians to date and the learning was therefore limited.

8.3. In response to a question raised by a Committee member regarding emerging themes, the Head of Assurance and Compliance confirmed that less than 10 cases had been raised and that so far, every case raised related to a different issue. While there were no clear themes identified, in several cases communication gaps between managers and teams/individuals were evident. It was also noted that a Speaking Up month was planned for October and the Guardians were working with the communications team to support colleagues to speak up on a range of matters, including those that impact directly on registrants or the public. Learning from the GMC's and NHSE's experience was also being used to inform the work of the HCPC Guardians to support the raising of concerns.

8.4. In response to a query as to whether the appointment of Guardians that were both Heads of Service might create a barrier to junior colleagues speaking up, the Executive Director of Education, Registration and Regulatory Standards and Deputy Chief Executive confirmed that the risk was acknowledged by the ELT and that the current composition provided a balance between different parts of the organisation but would be kept under review.

8.5. The Committee looked forward to receiving the freedom to speak up annual report and it was agreed that more time for discussion would be allocated to the item when it was presented to the Committee in due course.

Action: The Governance Team to allocate sufficient time for discussion of the freedom to speak up annual report when it is presented to the Committee on a date to be confirmed.

9. Feedback and complaints update

9.1. The Head of Assurance and Compliance provided an update on the progress and impact of the work undertaken to address the identified shortcomings in the HCPC's approach to feedback and complaints following the Committee's deep dive on the subject in November 2024. The Committee noted the presentation setting out the progress achieved to date, including:

- The permanent appointment of a Feedback and Complaints Manager.

- The appointment of a new Feedback & Information Officer due to start in September 2025.
- The Customer Service policy had been updated and published on the HCPC website.
- The development of a web form for reporting feedback and concerns.
- Data recording had moved from Lotus Notes to Excel making reporting quicker, although it remained a manual process. Skills were being developed within the team to support the use of Power BI to further enhance data visualisation, reporting and the identification of thematic issues, going forward.

9.2. The Committee noted the progress to date and that there was further work still planned that would strengthen the move to a new CRM system. It was acknowledged that the manual process was not ideal and that the move to a new CRM had been scheduled according to wider priorities. The Committee would consider the complaints and feedback annual report at its November meeting and would consider how the new manual processes were embedding and the timeline for the CRM.

9.3. **Action:** Governance Team to circulate the feedback and complaints update slides.

10. Annual Information Governance Report 2024-25

10.1. The Committee noted the annual information governance report for the period from 1 April 2024 to 31 March 2025.

10.2. The Committee welcomed the development of the report which had been updated to reflect the Committee's discussion in 2024 on human factors leading to incidents. Reporting on data incidents by category now included the primary and secondary causes of an incident in order to better identify the underlying causes at play.

10.3. It was noted that the highest number of incidents were linked to process weakness and processes not being followed and that this was a potential cause for concern. It was suggested that it would be helpful to add policy compliance to the data incident table (D). In response, the Executive Director of Education, Registration and Regulatory Standards and Deputy Chief Executive noted that a good level of assurance had been established on policy compliance via the work undertaken by BDO and front-line operational departments, but that further consideration would be given as to how this could also be tracked within the table presented.

Action: Chief Information Security and Risk Officer to review the categorisation table and incorporate policy compliance.

11. Unified assurance annual summary 2024-25

- 11.1. The Head of Assurance and Compliance presented the annual summary of the unified assurance framework for 2024-25. Further detail was included in the unified assurance report to be considered in the private session of the meeting.
- 11.2. At the end of 2024-25 the overall assurance rating had remained as 'High/Medium'. However, while the overall rating remained static, there had been continuous movement among the teams with some functions improving while others declined.
- 11.3. One area was rated as 'Medium/Low' following escalation in quarter 3, business discussions were underway as to the most appropriate way to address the ongoing issue. Close monitoring had also been put in place as an additional control.
- 11.4. It was noted that a full review of the assurance map and framework was in the 2025-26 work plan. It was suggested that ELT consider setting aside a half or whole day of audit time to gain insights from BDO ahead of the new assurance map going live.

Action: ELT to consider seeking BDO insights on the new assurance map.

12. Procurement policy

- 12.1. The Commercial Business Partnering Manager provided the Committee with a comprehensive summary on the revised Procurement policy which had been updated to reflect the principles and procedures of the Procurement Act 2023, which came into effect in February 2025.
- 12.2. As well as key structural and content changes, the policy included revised proportionate procurement thresholds, with the threshold for formal tender being raised from £25k to £100k.
- 12.3. In response to a suggestion from a Committee member regarding declarations of interest by decision-makers, the Executive Director of Resources confirmed that the policy provided for this at paragraph 4.1 "anti-bribery and conflict-of-interest declarations are mandatory before engaging in any procurement activity". The Procurement Manual would also be checked to ensure that it also reflected the same wording and if the wording was not already included the Committee would be updated.

Action: Executive Director of Resources to check the Procurement Manual regarding mandatory conflict of interest declaration, and update, as required and provide confirmation to the Committee of action taken.

- 12.4. In response to a query from a Committee member regarding the role of the ARAC in direct awards, the Executive Director of Resources confirmed that the wording at paragraph 16.3 would be updated to make clear that direct

awards will be 'reported' to the Committee, as opposed to being 'reviewed' by the Committee.

Action: Executive Director of Resources to update the wording of the policy at paragraph 16.13 from: "Direct awards are *reviewed* by the Audit and Risk Assurance Committee" to "Direct awards are *reported to* by the Audit and Risk Assurance Committee".

- 12.5. During discussion it was noted that the requirements expected of suppliers aligned with HCPC's Sustainability Strategy approved by the Council.

13. External audit update

- 13.1. The Committee received a report from the NAO confirming the proposed approach for the audit of the 2024-25 financial statements of the HCPC and setting out its assessment of risks and materiality.
- 13.2. There were no changes reported to the significant risks identified in the audit planning report, presented to ARAC in March. As part of the response to the 'Valuation of Land and Buildings' significant risk, an external expert would be engaged to assist with the review of the valuer's work.
- 13.3. Sample testing had gone well and there were no issues of substance to report. The audit team were well prepared to commence fieldwork in late July. The audit completion report would be presented to the Committee at its meeting on 18 September 2025.
- 13.4. The Executive Director of Resources and the Finance team were thanked for their contributions towards how well the process had gone to date.
- 13.5. The Chair noted that the ARAC's September meeting was due to take place on-line but that the meeting could be held in person, if issues or delays arose which would be best considered in person.

Action: NAO to keep the Committee briefed on issues/delays that may necessitate a meeting of the Committee in person.

14. Annual report and accounts 24-25 update

- 14.1. The Committee received a verbal update from the Executive Director of Resources on the progress to date with the preparation of the annual report and accounts. There were currently no concerns about the provision of information or the timetable, although the timing is tight.
- 14.2. The ELT were due to consider the draft annual report and accounts at a meeting on 25 June 2025 and the first draft would be shared with the NAO by 27 June 2025.
- 14.3. The Committee thanked the Executive Director of Resources and the Finance team for their efforts to date. The Governance Manager was also

thanked for her work coordinating and compiling the narrative information in the annual report.

- 14.4. The Chair offered the Committee's full support for the process and reiterated that any issues should be escalated straight away.
- 14.5. The Committee would receive the final draft of the annual report and accounts at its September meeting. Interim updates would be provided, as necessary.

15. Audit and Risk Assurance Committee annual report to the Council and the Accounting Officer 2024-25

- 15.1. The Committee reviewed and approved the Committee's annual report to the Council and the Accounting Officer for 2024-25, which was included as part of the governance statement within the annual report and accounts.
- 15.2. In response to a query from a Committee member, regarding deep dives, the Governance Manager agreed that further detail could be added.

Action: Governance Manager to include further detail on deep dives.

16. Internal audit recommendations tracker

- 16.1. The Committee noted the updates on the implementation of recommendations arising from internal audits.
- 16.2. The Compliance Specialist thanked the Chair and the Committee for the support and advice provided on how best to standardise the information included in the tracker and provide a more consistent and coherent report for the Committee. The Committee welcomed the revised format of the tracker which was now easier to appraise.

17. Internal audit progress report

- 17.1. The Committee noted the internal audit progress report, updating on the delivery of the internal audit plan for 2025-26, and noted that no reviews had yet been completed given the early stage in the year.
- 17.2. Good progress had been made to date, with the fieldwork for the 'Fitness to Practise – declaration' review nearly complete. A scoping meeting had been held for cyber security and a scoping meeting was planned for the business central review.
- 17.3. The BDO global risk landscape report had been published after the circulation of Committee papers and would be circulated.

Action: Governance Team to circulate a link to the BDO global risk landscape report.

18. Internal audit report – annual follow-up of recommendations

- 18.1. The Committee noted the final internal audit follow-up report which had been presented in draft at the Committee meeting in March 2025.
- 18.2. Of the seven recommendations tested during the review:
- Three recommendations were fully implemented.
 - Four remaining recommendations were in progress, of which two were High priority and two were of a Medium priority.
 - Two key financial controls high priority recommendations were identified as ‘in progress’ due to changes still to be completed and updates were expected in the next few months.
 - One Medium ‘in progress’ recommendation in relation to the Diversity audit related to staff who had not completed their diversity training. Reasons behind training not being completed were not consistently documented.
 - One Medium ‘in progress’ recommendation for the Partners audit, work was 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.
- 18.3. As a result of the audit testing, moderate assurance was provided for both the design and effectiveness of the controls put in place to address control weaknesses identified by internal audit.

19. Internal audit annual report and opinion 2024-25

- 19.1. The Committee noted the final internal audit annual report and opinion for 2024-25 which had been presented in draft at the meeting of the Committee in March 2025.
- 19.2. The only change to the report since the draft was presented in March related to the inclusion of the final follow-up figures.
- 19.3. The opinion provided a moderate rating, the second highest rating, which indicated that there was some risk that the system of internal control, governance and risk management would fail to meet management's objectives, with some areas where there were adequate and effective systems of governance, but also some specific areas of significant risk. Significant improvements were required in specific areas to improve the adequacy or effectiveness of governance, risk management and internal control.

- 19.4. The moderate rating in 2024-25 was consistent with the rating provided in 2023-24 but the auditors had noted steady improvement within the control environment which was to be commended.
- 19.5. The Committee thanked Heather Buckingham for her service to the HCPC and wished her well on her departure from BDO.

20. Committee forward plan

- 20.1. The Committee noted the forward plan for 2025.
- 20.2. The annual update on Complaints and Feedback would be added to the planner for the Committee's November meeting.

Action: Governance Team to add the complaints and feedback annual report to the Committee forward plan.

21. Resolution to move the meeting to private session

- 21.1. The Committee resolved that the remainder of the meeting would be held in private because the matters being discussed related to matters which, in the opinion of the Chair, were confidential or the public disclosure of which would prejudice the effective discharge of the Committee's or Council's functions.

The meeting was briefly adjourned.