

The background of the entire page is a photograph of two men in high-visibility yellow and green work jackets. They are inside a vehicle, possibly an ambulance, with a yellow exterior. The man in the foreground is smiling at the camera, while the man in the background is looking down, focused on his work. The image is partially overlaid by a dark blue diagonal graphic element on the left side.

Health and Care Professions Council

Progress report

September 2025

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Your team

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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 2025/26.

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 a link to our most recent not for profit update.

The ARAC is requested to note this report.

BDO Update

ARAC - September 2025

Introduction

The main purpose of this report is to update the Audit and Risk Assurance Committee (ARAC) on the Internal Audit (IA) plan since the last ARAC in June 2025. This report has been prepared based on work performed up to 29 August 2025.

Progress of the 2025/26 IA Plan

We have made good progress in the delivery of the 2025/26 audit plan to date, with the Fitness to Practise - Declarations review being completed and the final report presented at this committee. In addition to this:

- Fieldwork for the Cyber Security review has commenced.
- Fieldwork for the Business Central review has been completed and the draft report is being prepared.
- Terms of Reference for the Health and Safety review are being produced.

All other reviews are due to take place later in the year and work on these is therefore not yet due to commence. As a result, we remain on track to deliver all fieldwork in line with the originally agreed IA Plan.

Changes to the Audit Plan

Since the last ARAC in June 2025 there have been no changes to the IA Plan.

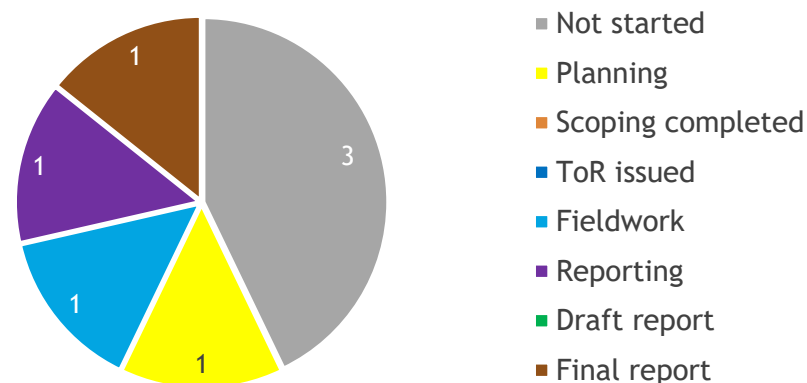
Recommendation

ARAC are requested to note this report.

Updates

- The Economic Crime Act and Corporate Transparency Act (ECCTA) has come into effect from 1 September 2025. Appendix I sets out the steps management should have taken, and if not, should take as soon as possible, to assess compliance.
- BDO has entered into a strategic partnership with The Safeguarding Alliance to enhance our safeguarding offering. Also see Appendix I.

Audit dashboard





Internal audit progress - 2025/26

Report	Status	Planned delivery date	Actual delivery	Overall report conclusions (recommendations made)					
				Assurance level		H	M	L	Total
				Design	Effectiveness				
Fitness to practise (Assurance)	Final Report	Q1	May 2025	Moderate	Moderate	-	2	2	4
Research (Assurance)	Not due	Q4	-	-	-	-	-	-	-
Media & communications (Assurance)	Not due	Q3	-	-	-	-	-	-	-
Business Central - core financial controls (Assurance)	Reporting	Q2	August 2025	-	-	-	-	-	-
Cyber Security (Assurance)	Fieldwork	Q1	September 2025	-	-	-	-	-	-
Health & Safety (Assurance)	Scoping meeting scheduled	Q3	-	-	-	-	-	-	-
Follow up	Not due	Q4	-	-	-	N/A	N/A	N/A	N/A



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.

Appendix I: BDO Not-for-profit update & ECCTA

Our June not for profit digest can be found here: [Newsletter: BDO Charity and Not for Profit Digest](#)

Economic Crime Act and Corporate Transparency Act

The Economic Crime and Corporate Transparency Act (“ECCTA”) introduces a significant shift in corporate liability related to fraud prevention. This new legislation introduces a new corporate offence of failure to prevent fraud. The offence makes organisations in scope potentially liable where specified/base fraud offences are committed by employees and associated persons, intended to benefit either the organisation or any person to whom the organisation provides services, and the organisation does not have reasonable prevention procedures in place. It does not need to be demonstrated that directors or senior managers ordered or knew about the fraud.

This offence aims to combat fraud by encouraging organisations to foster an anti-fraud culture akin to the transformation that the UK Bribery Act 2010 achieved in corporate compliance for bribery prevention. Following guidance published by the Home Office on 6 November 2024 the new offence took full effect from 1 September 2025. The guidance focuses on the procedures and principles that organisations can put in place to prevent their employees and persons associated with them from committing fraud offences. The six principles include:

- ▶ Top level commitment
- ▶ Risk assessment
- ▶ Proportionate risk-based prevention procedures
- ▶ Due diligence
- ▶ Communication (including training)
- ▶ Monitoring and review

The failure to prevent fraud offence applies directly to large organisations in all sectors who meet two or more of the following criteria in the year preceding the base fraud offence:

- ▶ More than 250 employees
- ▶ More than £36 million turnover
- ▶ More than £18 million in total assets

It is important that management has used the guidance to implement effective fraud prevention frameworks and asked the following questions:

1. Does HCPC have a detailed and robust Fraud Risk Assessment across the organisation and does this cover both inward and outward fraud?
2. Has HCPC identified and defined its associated persons under the scope of failure to prevent offences?
3. Are you comfortable that you have controls in place (which are also operating effectively) to both prevent and detect fraud for all the fraud risks identified?
4. Does HCPC’s culture help to reduce the risk of fraud and what is the quality of the fraud awareness training, if provided, for your staff?
5. Does HCPC have a fraud policy, and when was the last time you updated your fraud policy to ensure it is in-line with current legislation and best practice?
6. How effective are your whistleblowing arrangements? Would your staff know what to look for and how to respond to suspicions of fraud?
7. How does HCPC respond to allegations of fraud? Do you carry out root cause analysis of the misconduct and implement measures to mitigate the issues?
8. Does your organisation carry out due diligence on new employees and third parties to protect your organisation from fraud committed by an “associated person”?

BDO enters strategic partnership with The Safeguarding Alliance

The Safeguarding Alliance is a premier centre of safeguarding excellence with a network of safeguarding specialists. It works with governments and organisations globally to improve standards and practices and put an end to safeguarding failings.

This partnership will extend the scope and depth of the safeguarding assurance and advisory services BDO already offer and complements the important work we already do in this area.

[Read more](#)

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