

National Audit Office (NAO) Audit Completion Report on the 2019-20 Financial Statement audit

Executive Summary

The NAO's draft audit completion report is attached for the Committee's consideration.

The audit completion report also includes as an appendix the draft "letter of representation" that the NAO ask the Accounting Officer to sign. This is a standard audit procedure which provides the auditors with explicit confirmation of various points which are implicit in the draft accounts.

The Audit Committee is invited to:

- Review the findings set out in this report, including the draft letter of representation

Previous consideration	Management has reviewed the document.
Decision	The Committee is asked to review findings set up in the report.
Next steps	Council to review final report on 24 September 2020.
Strategic priority	Strategic priority 3: Ensure the organisation is fit for the future and able to anticipate and adapt to changes in the external environment
Risk	Strategic Risk 5- Failure of leadership, governance or culture
Financial and resource implications	The cost of the external audit for 2019-20 is £6,100.
Author	National Audit Office



National Audit Office

Health and Care Professions Council
**Audit completion report (including
management letter) on the 2019/20
financial statement audit**

September 2020

2 of 21

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17 September 2020

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This report sets out the results of our financial statement audit for the 2019-20 Health and Care Professions Council (HCPC) financial statements, for the September Audit Committee.

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Actions for the Audit Committee

The Audit Committee is invited to review the findings set out in this report, including the draft letter of representation at Appendix 1.

We have no additional management letter points beyond those reported by haysmacintyre in their completion report. We concur with their view that these do not impact on the audit opinion that they and we can give.

We would like to thank the Director of Finance and her staff for their assistance during the audit process.

Amy Manning (Engagement Director)

We have prepared this report for HCPC's sole use although you may also share it with the Privy Council and the Department of Health and Social Care. You must not disclose it to any other third party, quote or refer to it, without our written consent and we assume no responsibility to any other person.

Status and Conclusion

There is certain work to be performed by haysmacintyre and ourselves before the audit is fully complete. This is set out on **page 4 Status of our audit**.

We anticipate recommending to the Comptroller and Auditor General (C&AG) that he should certify the 2019-20 financial statements with an unqualified audit opinion, however we are currently discussing with our technical team whether the C&AG will include an emphasis of matter paragraph with regard to a material uncertainty over HCPC's property valuation.

Status and Conclusion

We plan our audit of the financial statements to respond to the risks of material misstatement and irregularity.

Our audit plan set out the following significant risks:

- **SR1 - Presumed risk of management override of controls;**
- **SR2 - Presumed risk of fraud in revenue recognition;**
- **SR3 – Transfer to Social Work England**
- **SR4 – Going Concern**
- **SR5 – Changes at senior staff level**

We have relied upon haysmacintyre's audit work. See pages 6-9 for further details.

Audit Approach

Reliance on haysmacintyre:

We rely on the work of haysmacintyre under the provisions of International Standard on Auditing (ISA) UK 600, to support the C&AG's 'true and fair' opinion. We have performed procedures to earn the right to rely on their work, and we have been involved in their work throughout the audit process. We have:

- Performed our audit using the same materiality and clearly trivial threshold as haysmacintyre;
- Identified the same audit risks as haysmacintyre, except for our additional significant risk relating to changes at senior staff level.
- We have been able to rely on the work of haysmacintyre and supplemented this with our own audit work for the additional significant risks identified.

Regularity-specific audit work:

The C&AG is required to provide an opinion on regularity, and we perform some additional work to support this opinion.

We perform a review of the draft Annual Report and Accounts, to confirm they comply with HCPC's financial reporting framework, and that the annual report and Governance Statement are consistent with the financial statements and with our understanding and have undertaken detailed audit testing of the HCPC Remuneration Report.

Audit findings

Materiality:

£600,000
Based on 2% of total income.

Identified misstatements:

No adjusted or unadjusted misstatements have been identified in the course of the audit above our clearly trivial threshold of £30,000.

Appendices

We have set out some additional information of relevance to our audit, including;

- the impact of upcoming changes in financial reporting standards; and
- a summary of our wider work completed in the health and social care area.

Key audit findings

Status of our audit

At the date of this report our audit of the financial statements is subject to completion of the areas detailed below. These must be resolved prior to completion of the audit:

Name	Actions to resolve	Owner of action
Review of haysmacintyre audit work	Completion of our review of audit work undertaken by haysmacintyre (including the completion of the outstanding work as noted in the haysmacintyre audit findings report)	haysmacintyre /NAO
SMT departures	receipt of supporting evidence in relation to the departure of 2 SMT members to confirm the accuracy and regularity of payments and the appropriateness of disclosures in the annual report and accounts	HCPC/NAO
Emphasis of matter for property valuation	Advice from our technical team on the requirement for an emphasis of matter paragraph, following review of the haysmacintyre assessment, updated information from RICs and our own audit work.	HCPC/NAO
Internal quality assurance	completion of our internal quality assurance processes, including finalisation of engagement manager and engagement director review of audit work	NAO
Covid-19 disclosures	On-going consideration of the Covid-19 pandemic on going concern and the associated disclosures in the financial statements	HCPC/ haysmacintyre /NAO
Annual Report and Accounts changes	We will need to review the final draft of the annual report and accounts to ensure that all NAO and haysmacintyre disclosure comments have been reflected.	HCPC/ haysmacintyre /NAO
Final pre-certification checks	Consideration of events after the reporting period and other pre-certification checks. This work is performed on receipt of the signed HCPC Annual Report and Accounts and Haysmacintyre signed audit report.	HCPC/ haysmacintyre /NAO

Following resolution of the issues listed above, the Accounting Officer will sign the annual report and accounts together with a letter of representation, the proposed wording of which is included in Appendix 1.

SR1. Presumed risk of management override of controls required by ISA (UK) 240

Details and audit response

Under International Standard on Auditing (UK) 240, there is a presumed significant risk that management may override the system of internal controls. Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and accounting estimates and prepare fraudulent financial statements by overriding internal controls that otherwise appear to be operating effectively.

Audit findings and conclusion

We relied on haysmacintyre's audit work on this risk and have reviewed their audit file and assessed the adequacy of their work and the sufficiency of the evidence obtained. We particularly referred to their consideration of:

- the appropriateness of general journal entries posted throughout the year and at the year-end for the preparation of the financial statements.
- accounting estimates, for indications of potential bias, and
- the business rationale for unusual or significant transactions outside the normal course of business.

The financial statements are free from material misstatement or error arising from management override of controls.

SR2. Presumed risk of fraud in revenue recognition

Details and audit response

Under International Standard on Auditing (UK) 240, there is a presumed significant risk that management may commit fraud to achieve a particular result within income. Income is a significant figure in HCPC's accounts, and HCPC is faced with other significant issues in relation to financial performance, around the transfer to Social Work England, and also residual Going Concern issues linked to a stalled increase in the statutory registration fee.

Audit findings and conclusion

We relied on haysmacintyre's audit work on this risk, and have reviewed their audit file and assessed the adequacy of their work and the sufficiency of the evidence obtained.

No errors have been identified as a result of audit work.

We note that in conducting their work, haysmacintyre have issued a recommendation to management around the operation of controls in relation to HCPCs processing of income and ensuring this is operated on a timely basis. We do not consider that this impacts on the audit conclusion on the identified risk of fraud in revenue recognition.

The financial statements are free from material misstatement or error arising from fraud in revenue recognition.

SR3. Transfer to Social Work England

Details and audit response

On 2 December 2019 Social Work England (SWE) took over from HCPC as the new regulator for social workers. This resulted in not only a transfer of registered workers from HCPC to SWE, but also an accounting transfer covering a cash transfer of fees paid, including prepayments and outstanding debts.

As social workers made up a significant proportion of HCPC's registrants the value of balances to transfer were highly material in terms of the HCPC accounts. Given historic limitations in the availability and quality of management information beneath the high level figures reported, there is a significant risk that the assets and liabilities transferred to SWE are materially incomplete, or inappropriately valued.

Audit findings and conclusion

We relied on haysmacintyre's audit work on this risk, and have reviewed their audit file and assessed the adequacy of their work and the sufficiency of the evidence obtained. We particularly referred to their review of the transfer agreement and test of detail undertaken around the amounts transferred.

Subject to an haysmacintyre resolving an outstanding query, the financial statements are free from material misstatement or error arising from the transfer of Social Workers to SWE.

SR4. Going Concern

Details and audit response

HCPC had planned to increase its statutory fee for registration in 2019 to cover its recognised increase in annual running costs. However as this increase was not passed in legislation it has not been possible to pass costs onto registrants, reducing HCPC's forecast income levels. This, combined with the transfer of a large proportion of registrants to Social Work England, put a strain on HCPC's operating costs, despite some additional funding being provided to ease the transition by the Department for Education. As a result of these increased budgetary pressures, concerns have been raised over HCPC's ability to be able to perform its statutory duties, and as such operate as a Going Concern.

Audit findings and conclusion

We relied on haysmacintyre's audit work on this risk, and have reviewed their audit file and assessed the adequacy of their work and the sufficiency of the evidence obtained alongside our own understanding and knowledge of HCPC and its business.

We are content that HCPC is able to perform its statutory duties, and as such operates as a going concern.

SR5. Changes at senior staff level

Details and audit response

Over the course of the 2019-20 there have been a number of significant changes at a senior level within HCPC. This has not only included changes to the Finance and Human Resources Directors, but also a change in Chief Executive Officer and Chief Registrar. As the CEO was appointed as Accounting Officer for HCPC, this change has necessitated the Privy Council to appoint an interim Accounting Officer for 2019-20, or until such time as a permanent appointment can be made.

There is a risk that such turnover at a senior level within the business could impact upon the operation of HCPC's key financial and operational controls, and the overarching governance of HCPC. As a consequence of the change in CEO, Chief Registrar and Accounting Office enhanced disclosures will also be required in the Remuneration Report and Governance Statements.

Additionally, following the number of changes to the HCPC SMT in year, including change of CEO and Chief Registrar, there is a risk that the Remuneration Report disclosures, which are considered material by nature, could be incomplete or inaccurate.

Audit findings and conclusion

We have undertaken detailed testing of the structure and content of the remuneration report with regard to the HCPC SMT. **We currently have an outstanding request for supporting evidence in relation to the departure of two SMT members to confirm the accuracy and regularity of the payments and the appropriateness of disclosures in the annual report and accounts.**

We have attended all Audit Committee meetings throughout the year and have not noted any indication that the changes in management structure in year have resulted in a reduction in the control environment at HCPC.

We have noted that no formal assurance over the operation of the control environment at HCPC was provided by the outgoing Accounting Officer, however whilst this is best practice, we do not consider its omission represents an increased risk of error. As part of our review of the annual report and account, we raised comment however to ensure that this transition is fully disclosed, including the need for a brief explanation as to how the incoming AO has obtained his assurances so that he can sign off the Governance Statement and Statement of Accounting Officers Responsibility for the full year.

Areas of Audit Focus The following are matters which we considered had a direct impact on the financial statements but did not represent significant risks of material misstatement as defined by ISA (UK) 315;

- AF1 - Non-current asset valuation;
- AF2 - Completeness of payroll
- AF3 - Completeness of payables; and
- AF4 – Implementation of IFRS 16

As noted in our Audit Planning Report, this assessment is in line with the assessment of audit risk made by haysmacintyre. We have reviewed their work undertaken in response to each and concur with their conclusions.

AF1 – we note, as haysmacintyre have, that the HCPC accounts for investment property at fair value, and this is revalued annually at 31 March, for inclusion in the statement of financial position. For this HCPC engage a surveyor, SHW. SHW estimated an existing use value of £5.82m as at 31 March 2020, however, their report was caveated due to the impact of the Covid-19 pandemic, resulting in a material uncertainty over the property market on the valuation.

As a result we are currently discussing with our technical team whether the C&AG will include an emphasis of matter paragraph relating to the uncertainty of the property valuation in his audit certificate for HCPC. Our audit work will include review of haysmacintyre's assessment and consideration of updated information from RICs that has been made available.

AF3 and AF3 – no issues were identified

With regard to AF4 – the implementation of IFRS 16 was deferred until 2021-21 by treasury in response to increased pressures on finance teams caused by the Covid-19 pandemic. As such this area of audit focus has been closed for 2019-20. We will review managements progress against this once again as part of our 2020-21 audit.

Financial statement disclosures

We have challenged management over the adequacy of disclosures in the annual report and financial statements and have made a number of suggestions to improve narrative disclosures and to ensure completeness of the disclosures required under the FReM and other relevant guidance.

We are content with the overall neutrality, consistency and clarity of the disclosures in the financial statements as well as judgments made in formulating particularly sensitive financial statement disclosures.

Accounting policies and financial reporting

We have reviewed and considered the appropriateness of the judgements made by the entity on accounting policies.

We are content that the accounting policies are complete, accurate and compliant with the relevant standards and have been appropriately applied.

Regularity, propriety and losses

Subject to the completion of our testing on 2 SMT payments we have found no issues of irregularity or impropriety during our audit.

Losses are adequately disclosed in the accounts.

Appendices

The Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
LONDON
SW1W 9SP

LETTER OF REPRESENTATION: HEALTH AND CARE PROFESSIONS COUNCIL 2019-20

I acknowledge as Accounting Officer of the Health and Care Professions Council (HCPC) my responsibility for preparing accounts that give a true and fair view of the state of affairs, net expenditure, changes in tax payers equity and cash flows of the HCPC for the year ended 31 March 2020.

In preparing the accounts, I was required to:

- observe the accounts direction issued by the Privy Council, including the relevant accounting and disclosure requirements and apply appropriate accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed and disclosed and explain any material departures in the accounts; and
- make an assessment that HCPC is a going concern and will continue to be in operation throughout the next year; and ensure that this has been appropriately disclosed in the financial statements.

I confirm that for the financial year ended 31 March 2020:

neither I nor my staff authorised a course of action, the financial impact of which is that transactions infringe the requirements of regularity as set out in Managing Public Money;

having considered and enquired as to HCPC's compliance with law and regulations, I am not aware of any actual or potential non-compliance that could

have a material effect on the ability of HCPC to conduct its business or on the results and financial position disclosed in the accounts;

all accounting records have been provided to you for the purpose of your audit and all transactions undertaken by HCPC have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management meetings which you have requested have been supplied to you; and

the information provided regarding the identification of related parties is complete; and the related party disclosures in the financial statements are adequate.

All material accounting policies as adopted are detailed in note 1 to the accounts.

INTERNAL CONTROL

I acknowledge as Accounting Officer my responsibility for the design and implementation of internal controls to prevent and detect error and I have disclosed to you the results of my assessment of the risk that the financial statements could be materially misstated.

I confirm that I have reviewed the effectiveness of the system of internal control and that the disclosures I have made are in accordance with HM Treasury guidance on the Governance Statement.

FRAUD

I acknowledge as Accounting Officer my responsibility for the design and implementation of internal controls to prevent and detect fraud and I have disclosed to you the results of my assessment of the risk that the financial statements could be materially misstated as a result of fraud.

I am not aware of any fraud or suspected fraud affecting the HCPC and no allegations of fraud or suspected fraud affecting the financial statements has been communicated to me by employees, former employees, analysts, regulators or others.

ASSETS

General

All assets included in the statement of financial position were in existence at the reporting date and owned by HCPC, and free from any lien, encumbrance or charge, except as disclosed in the accounts. The statement of financial position includes all tangible assets owned by the HCPC.

Non-Current Assets

All assets over £5,000 are capitalised. Land and buildings were revalued as at 31 March 2020 with a full valuation carried out by professionally qualified Chartered Surveyors. Plant, equipment and intangibles are relatively low value items with relatively short useful lives, and are stated at historic cost of acquisition less accumulated depreciation and impairment losses as a proxy for fair value. Depreciation is calculated to reduce the net book amount of each asset to its estimated residual value by the end of its estimated useful life in HCPC's operations.

Other Current Assets

On realisation in the ordinary course of HCPC's operations the other current assets in the statement of financial position are expected to produce at least the amounts at which they are stated. Adequate provision has been made against all amounts owing to the HCPC which are known, or may be expected, to be irrecoverable.

LIABILITIES

General

All liabilities have been recorded in the statement of financial position. There were no significant losses in the year and no provisions for losses were required at the year-end.

Provisions

Provision is made in the financial statements for:

- Dilapidation costs in respect of leased office space at 405 Kennington Park Road;

Contingent Liabilities

I am not aware of any pending litigation which may result in significant loss to HCPC, and I am not aware of any action which is or may be brought against HCPC under the Insolvency Act 1986.

OTHER DISCLOSURES

Results

Except as disclosed in the accounts, the results for the year were not materially affected by transactions of a sort not usually undertaken by], or circumstances of an exceptional or non-recurring nature.

Going concern

I am satisfied that the HCPC is a going concern. I have reached this conclusion based on the budget for 2020-21 and our realisable net asset base which includes the significant cash balances held by HCPC, taking into account planned fee changes and material uncertainty over the valuation of HCPCs land and building property as at 31 March 2020.

Unadjusted Errors

No adjusted or unadjusted errors have been brought to my attention as a result of the NAO's audit work.

Events after the Reporting Period

Except as disclosed in the accounts, there have been no material changes since the reporting date affecting assets, liabilities and commitments, and no events or transactions have occurred which, though properly excluded from the accounts, are of such importance that they should have been brought to notice.

Management of Personal Data

Except as disclosed in the relevant sections of the Annual Report, there have been no personal data related incidents in the accounting period subject to audit which are required to be reported.

John Barwick

Accounting Officer and Chief Executive

[Date] (This must be the same date as the ARA is signed).

We have completed our audit of the 2019-20 financial statements in accordance with International Standards on Auditing (UK) issued by the Financial Reporting Council and with the audit planning report presented to the Audit Committee in November 2019.

We have also read the content of the draft annual report and the governance statement to confirm that:

- the parts of the Annual Report to be audited have been properly prepared in accordance with the Health and Social Work Professions Order 2001 and the determination of the Privy Council issued thereunder
- in the light of the knowledge and understanding of the Health and Care Professions Council and its environment obtained in the course of the audit, we have not identified any material misstatements in the Performance Report or the Accountability Report;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- that the governance statement has been prepared in accordance with HM Treasury guidance.

As part of our audit, we assessed:

- whether the accounting policies are appropriate to the HCPC's circumstances and have been adequately disclosed;
- the reasonableness of significant accounting estimates made by the Accounting Officer; and
- the overall presentation of the financial statements.

We are also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Independence

We are independent of the Health and Care Professions Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities/public interest entities. We have fulfilled our ethical responsibilities in accordance with these requirements and have developed important safeguards and procedures in order to ensure our independence and objectivity.

Information on NAO quality standards and independence can be found on the NAO website:

<https://www.nao.org.uk/about-us/our-work/governance-of-the-nao/transparency/>.

International standards on Auditing (UK)

We consider that there are no additional matters in respect of items requiring communication to you, per International Standards on Auditing (UK), that have not been raised elsewhere in this report or our audit planning report. Items requiring communication cover:

- Fraud Going concern
- HCPC's compliance with laws and regulations
- Significant difficulties completing the audit
- Disagreements or other significant matters discussed with management

Cooperation with other auditors**The 'first tier' auditors**

As set out more fully on page 3, we have performed procedures to confirm we are able to rely on the audit work of haysmacintyre, in line with our planned approach.

Internal Audit

We have not relied upon the work of internal audit, although we have considered their reports and their annual assurance opinion in forming our assessment of risk in the financial statements, and in our assessment of the Governance Statement.

Practice Note 10

Practice Note 10 (PN 10) sets out how auditors of public sector bodies in England, Scotland, Northern Ireland and Wales apply auditing standards to their work on financial statements. The aim of the Practice Note is to support consistency in the application of auditing standards while also recognising the specific legislative and regulatory frameworks that apply to the audits of public sector bodies. PN 10 also provides guidance on the approach to the audit of regularity.

Public Audit Forum (PAF) is consulting on the exposure draft for the 2020 revision of Practice Note 10. Comments from all interested parties are welcomed. Information can be found on the Public Audit Forum's website:

<https://www.public-audit-forum.org.uk/wp-content/uploads/2020/04/PN10-2020-consultation.pdf>

Management of personal data

During the course of our audit we have had access to personal data to support our audit testing.

The General Data Protection Regulations (GDPR) came into force in May 2018. These regulations make no difference to the C&G's access rights.

The Data Protection Act provides the C&AG with an exemption from the individual rights provisions where to apply the provisions would be likely to prejudice the proper discharge of the C&AG functions. For example this would mean that we would not need to inform an individual about processing nor could an individual object to processing of their information for audit purposes where that would disrupt an efficient audit.

We take our obligations under GDPR seriously. We have appointed a Data Protection Officer and all our staff are required to comply with formal data protection policies, guidelines and procedures designed to keep third party data secure and support privacy by design. We will destroy, return, or store personal data as necessary on completion of our work.

We confirm that we have discharged those responsibilities communicated to you in the NAO's Statement on Management of Personal Data.

The statement on the Management of Personal Data is available on the NAO website:

<http://www.nao.org.uk/freedom-of-information/publication-scheme/how-we-make-decisions/our-policies-and-procedures/policies-and-procedures-for-conducting-our-business>

Communication with the NAO

Organisations we audit tell us they find it helpful to know about our new publications, cross-government insight and good practice.

We share this through our [e:newsletter](#), [Round-up for Audit Committees](#) and email notifications about to our work on particular sectors or topics. If you would like to receive any of these, please sign up at: <http://bit.ly/NAOoptin>. You will always have the option to amend your preferences or unsubscribe from these emails at any time.

Audit fee

The total audit fee charged for the year is in line with that set out in our Audit Planning Report, £6,100. There are no contingent fees in respect of the Health and Care Professions Council.

Accounting standard	Detail	Future direction for HCPC
<p>IFRS 17: Insurance Contracts</p> <p>Effective from periods starting on or after 1 January 2023</p> <p>IFRS 17 implementation has been deferred from its original implementation date of 1 January 2022 by the IASB.</p>	<p>The new standard replaces IFRS 4, detailing the required policy for the recognition and measurement of insurance and reinsurance contracts. The standard does not change the scope of IFRS but adds details on the required approach to valuing insurance contracts.</p>	<p>Bodies should consider if in their normal course of business they provide any insurance contracts and consider what systems and reporting may be required to manage the change in accounting policy.</p>

Accounting standard	Detail	Future direction for HCPC
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IFRS 16: Leases

Effective from April 1st 2021

For all bodies applying the FReM, where they haven't early adopted IFRS 16 in 2019-20, HMT have decided to defer the implementation of IFRS 16 to 2021-22 to reduce pressure on finance teams in the Covid 19 pandemic

IFRS 16 eliminates the operating/finance lease distinction for leases and imposes a single model geared towards the recognition of all but low-value or short term (<12m) leases. The proposals arise partly from the IASB's view that:

- disclosures around operating lease commitments have lacked prominence and tended towards understatement; and
- even in leases where the underlying asset is not acquired for its whole useful life, the lessee nevertheless acquires an economic right to its use, along with obligations to make good on minimum lease payments.

These will now be recognised on the Balance Sheet as a 'right of use' asset and lease liability reflecting the obligation to make lease payments. The lease liability will be measured at initial recognition as the value of future lease payments, with the asset additionally including any initial direct costs incurred by the lessee, plus an estimate of any dismantling/restoration costs. Subsequent measurement of both asset and liability will need to respond to any changes in lease terms.

Successful transition will depend on organisations pro-actively capturing additional information about leases – new and existing – which they expect to remain in place at the date of adoption of IFRS 16, especially regarding future minimum lease payments. Organisations should also ensure systems for capturing cost information are fit for purpose, can respond to changes in lease terms and the presence of any variable (e.g. RPI-based) lease terms where forecasts will need to be updated annually based on prevailing indices.

There are no changes to the accounting requirements where you are acting as a lessor but disclosure requirements around risk exposure are required

The new standard replaces IFRS 4, detailing the required policy for the recognition and measurement of insurance and reinsurance contracts. The standard does not change the scope of IFRS but adds details on the required approach to valuing insurance contracts.

HCPC has considered the impact of IFRS 16. We will again revisit HCPC's processes for complying with IFRS 16 in our audit of the 2020/21 financial statements.

Appendix 5: Our wider health & social care work

RECENTLY PUBLISHED

NAO Annual Report and Accounts 2019-20

The NAO Annual Report and Accounts 2019-20 provides details about our work and performance.

The report also reflects the NAO welcoming Gareth Davies as Comptroller and Auditor General in June 2019, our new [five-year strategy](#) that will help us to make a bigger difference and our response to the unprecedented challenge of COVID-19.

23 June 2020

<https://www.nao.org.uk/report/nao-annual-report-and-accounts-2019-20/>

Readying the NHS and adult social care in England for COVID-19

This report is the second in a programme of work by the National Audit Office to support Parliament's scrutiny of the UK government's response to COVID-19. It sets out the facts about government's progress in preparing the NHS and social care for the COVID-19 outbreak.

<https://www.nao.org.uk/report/readying-the-nhs-and-adult-social-care-in-england-for-covid-19/>

12 June 2020

Managing PFI assets and services as contracts end

Private finance initiative (PFI) contracts are a form of public private partnerships used in the UK since the 1990s. PFI is a way to finance and provide public sector infrastructure and capital equipment projects, such as roads, hospitals and schools.

This report provides information on managing PFI contracts as they come to an end and considers whether government is making appropriate preparations to manage the expiry of PFI contracts.

5 June 2020

<https://www.nao.org.uk/report/managing-pfi-assets-and-services-as-contracts-end/>

Overview of the UK government's response to the COVID-19 pandemic

Significant outbreaks of disease are among the greatest risks faced by any society, threatening lives and causing significant disruption to public services and the economy. The scale and nature of the current COVID-19 pandemic and government's response is unprecedented in recent history.

This report is the first of a programme of work to be undertaken by the National Audit Office to support Parliament in its scrutiny of the UK government's response to COVID-19.

21 May 2020

<https://www.nao.org.uk/report/summary-of-uk-governments-response-to-the-covid-19-pandemic/>

Digital transformation in the NHS

The NHS's health and care services are dependent on people, processes and IT systems, and some of these IT systems are outdated and inefficient.

The Department and its arm's-length bodies have ambitious plans for digital transformation, intended to enable many of the wider service changes set out in the NHS Long-Term Plan. However, the track record for digital transformation in the NHS has been poor, with the previous major national programme being closed early without achieving its objectives.

15 May 2020

<https://www.nao.org.uk/report/the-use-of-digital-technology-in-the-nhs/>

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Appendix 5: Our wider health & social care work

RECENTLY PUBLISHED

Dentistry in England

25 March 2020

This memorandum has been prepared in response to a request for support from the Chair of the Health and Social Care Committee of the 2017-2019 Parliament to the Comptroller and Auditor General. This was to support the Committee's [Dentistry Services inquiry](#).

Content and scope of the memorandum

- commissioning of NHS dentistry services;
- financial flows relating to NHS dentistry;
- dentistry workforce; and
- access to NHS dentists.

<https://www.nao.org.uk/report/dentistry-in-england>

The NHS nursing workforce

5 March 2020

Nurses are critical to the delivery of health and social care services, working across hospitals, community services, care homes and primary care. In 2019, around 519,000 people in England were registered to practise as a nurse, while the NHS employed 320,000 nurses in hospital and community services, making up about a quarter of all NHS staff.

In January 2019, the NHS Long Term Plan acknowledged the need to increase staff numbers, noting that the biggest shortfalls were in nursing. The NHS set up the People Plan programme to decide how it would secure the workforce it needed to meet its future service commitments. In this report, we define workforce planning as the analysis and plans required to ensure that the NHS has the number and type of staff it needs, now and in the future.

The NHS People Plan has, for a variety of reasons, been delayed. Rather than delay for an uncertain time our own reporting, this report sets out the facts on:

- the scale of the NHS nursing workforce challenge;
- the challenges to the main entry routes to NHS nursing and more general workforce-related challenges that any future plans will need to address; and
- the progress made on the People Plan.

<https://www.nao.org.uk/report/nhs-nursing-workforce/>

Appendix 5: Our wider health & social care work

Coronavirus: latest statement

[Read our latest statement](#) on COVID-19's impact on our financial audit work and value for money programme.

<https://www.nao.org.uk/about-us/covid-19-coronavirus/>

Increasing the number of ventilators available to the NHS in response to COVID-19

Autumn 2020

In our previous report [Overview of the UK government's response to the COVID-19 pandemic](#) we signalled our intention to report on how government has managed risks created by its response to the crisis, including with respect to procurement and supply chains for items such as ventilators. This new investigation will set out the facts about the government's efforts to rapidly increase the number of ventilators available to the NHS, in response to COVID-19.

It will cover both the 'Ventilator Challenge' to encourage UK manufacturers to design and build ventilators, and the purchase of ventilators.

<https://www.nao.org.uk/work-in-progress/increasing-ventilator-capacity-in-response-to-covid-19/>

Supplying the NHS and adult social care sector with personal protective equipment (PPE)

Autumn 2020

Personal protective equipment (PPE) is vital for preventing and controlling the spread of infection in health and care settings. It needs to be readily available, effective and supported by clear guidance covering the circumstances of its use. In our report [Overview of the UK government's response to the COVID-19 pandemic](#) we signal an intention to report on how government has managed risks created by its response to the crisis, including with respect to procurement and supply chains for items such as PPE.

This report will examine the preparedness and response in the supply of PPE in England, including the scale of and reasons for shortfalls in supply.

<https://www.nao.org.uk/work-in-progress/supplying-the-nhs-and-adult-social-care-sector-with-personal-protective-equipment-ppe/>

Government procurement during the COVID-19 pandemic

Late 2020

In responding to the COVID-19 pandemic, public sector bodies have had to procure goods, services and works with extreme urgency. The Cabinet Office, which oversees government's buying policies, has changed some of the procurement rules for contracts relating to the government's response to COVID-19. Concerns have been raised about some of these procurements, including around a lack of transparency.

In our previous report [Overview of the UK government's response to the COVID-19 pandemic](#), we signalled our intention to report on how government has managed risks created by its response to the crisis. This report will set out the scale of COVID-19-related procurement, how procurement rules have changed and how the government is managing the risks associated with these changes. For a sample of contracts, it will consider who has bought what, from whom, and at what cost, during the pandemic.

<https://www.nao.org.uk/work-in-progress/government-procurement-during-the-covid-19-pandemic/>

More information about work in progress can be found at [nao.org.uk/work-in-progress/](https://www.nao.org.uk/work-in-progress/)