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 2024

MARCH 2024

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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 most recent charity sector update.

The ARAC is requested to note this report.

BDO UPDATE

ARAC - March 2024

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 November 2023. This report has been prepared on the basis of work performed up to 04 March 2024.

Progress of the 2023/24 IA Plan

We have made good progress in delivering audits in line with the approved 2023/24 Plan. Since the last meeting we have issued the final reports for People Strategy and Procurement and have issued the follow up report in draft. Project Management fieldwork is ongoing as this review was delayed fully to Q4. All fieldwork will therefore be completed by the end of the financial year, in line with the originally proposed timescales.

Progress of the 2024/25 IA Plan

We have concluded our work to refresh the Three-Year Internal Audit Strategy 2023-26 and refreshed the 2024/25 Internal Audit Plan in discussions with the Executive Leadership team. This is presented as a separate paper within the Internal Audit section of the agenda.

Changes to the Audit Plan

There have been no changes to the audit plan since the last ARAC meeting in November 2023.

Recommendation

ARAC are requested to: note, comment or approve the following:

- Note progress in the delivery of the internal audit work for the 2023/24 annual plan. (note)
- Approve the audit plan for 2024/25- and three-year strategy 2023-26.
- Note the agreed and approved Charter (as per November ARAC) included at the back of the annual plan and three-year strategy.
- Note and comment on the draft annual audit opinion (conditional on the outcome of the follow up).



INTERNAL AUDIT PROGRESS - 2023/24

REPORT	STATUS	PLANNED DELIVERY DATE	Actual Delivery	OVERALL REPORT CONCLUSIONS					
				ASSURANCE LEVEL		H	M	L	TOTAL
				DESIGN	EFFECTIVENESS				
Registration assurance & processes & international registrants (first and second line review)	Final report	Q2/Q3	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	Final report	Q2	Sept 23	SUBSTANTIAL	SUBSTANTIAL	-	-	-	0
Project Management	Fieldwork	Q1-4	Q4	-	-	-	-	-	-
Procurement of large contracts	Final report	Q3	Sept 23	LIMITED	LIMITED	-	5	2	7
IR 35 and payroll	Final report	Q4	Aug / Sept 23	LIMITED	LIMITED	2	3	-	5
Follow-up	Draft issued	Q4	Jan 24	-	-	-	-	-	-

APPENDIX I: BDO NOT FOR PROFIT UPDATE

Our January not for profit digest contains sector updates, thought leadership and advice to support organisations through current and emerging risks and issues.

Increasing pressure causing a rise in Fraud



The 2023 Charity Fraud Report details the findings from our annual survey conducted alongside the Fraud Advisory Panel into the fraud landscape within the charity sector.

Find out how UK charities view fraud risk, the losses that can be sustained, and most importantly, what measures charities can put in place to combat fraud risk during times of great pressure and uncertainty.

[Charity Fraud Report 2023](#)



Trustees for change: How can you make an impact?

On the opening day of Trustees' Week, our Trustee Network hosted an in-person panel discussion with the CEO of Charity Commission, Helen Stephenson; Dr Priya Singh, Chair of NCVO Board of Trustees; Frances Brown from Getting on Board, as well as our very own Trustees Jill Halford and Aaron Thompson.

The discussion focused around making an impact as a Trustee, looking at diverse boards, good cultural practices and how Trustees are key in effectively delivering a charity's purpose. If you were unable to join us, you can listen back to the recording to hear the panellist's insightful views.

[Trustee Impact](#)

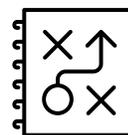


Social media: Friend, Foe or future investigation?

Updating your status, sending a tweet, snapping your new project; all phrases we have become used to in modern society. Social media has its advantages, but also has its risks. As such, the Charity Commission has recently issued new guidance on charities' use of social media.

We recommend you review your social media approach and policy inline with the guidance.

[Friend or Foe?](#)



Catch up on our latest charity finance webinar - watch now

In our most popular session of the year, our experts examine the latest finance developments in the charity sector to bring you up to date on key changes in reporting, tax, legal and governance.

With guest speakers from Pro Bono Economics and Russell Cooke Solicitors, alongside our very own tax, forensics and accounting specialists, we had a packed agenda which drew lots of engagement and many questions for those attending live. If after watching you have any questions, don't hesitate to get in touch.

[Charity Finance Webinar](#)



APPENDIX II: 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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The matters raised in this report are only those which came to our attention during our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

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