

The Health and Care Professions Council (HCPC)

Internal Audit Progress Report 2017-18

November 2017

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1 Internal Audit progress to August 2017

1. Introduction

The purpose of this report is to inform the Audit Committee of the progress in delivering the internal audit plan for the year to date.

2. Progress against the 2017-18 Plan

Since the previous Audit Committee in August 2017, there have been a number of changes to the timings of the delivery of the audits, including a deferral of one audit (Strategic and Operational Planning) to the 2018-19 Plan. Management has suggested to replace the Strategic and Operational Planning audit, with an audit on budgeting and forecasting which will be combined with the key core financial systems audit. The Plan has been updated to reflect the changes since our last report.

More information on the key changes to the 2017-18 Plan are detailed below:

- ***Defer the Strategic and Operational Planning audit*** - The audit was deferred by management as the current strategic and operational planning process was being considered by the Council in October 2017 and thus was not an optimal time to carry out the review. The review in 2018-19 Plan will consider how well the process of budgeting and planning for 2018-19 works, including any changes agreed by Council in October 2017 at the away day.
- ***To replace the Strategic and Operational Planning audit with an extended audit on the Core key financial systems and Budgeting and Forecasting*** - The audit scope would cover looking at the core controls within the General ledger system, accounts payables and accounts receivable systems to ensure there is sufficient segregation of duties, reconciliations occur in a timely manner, authorised limits are adhered to etc. In addition, we would review the budgeting, forecasting and management accounting and reporting processes. Particularly given HCPC's history of underspends, which may suggest that budgets have been too slack and/or timing in budgets was too optimistic and/or accruals were not being properly made.
- ***The timing of the Continual Professional Development audit*** – Originally the field was planned to be delivered in October 2017 and reported to this Committee in November. However, due to the availability of HCPC's staff in October and November, the audit has been rescheduled to December 2017. The terms of reference for the work has been agreed and issued to the Audit Sponsor.
- ***The timing of the Registration audit*** – Grant Thornton completed a piece of work looking at the delays in the registration project and the lessons to be learned. To allow sufficient time for the lessons to

be implemented the timing for the audit has been rescheduled from November 2017 to February 2018.

We seek the Audit Committee's approval:

- To defer the Strategic and Operational Planning audit to the 2018-19 Plan.
- To replace the Strategic and Operational Planning audit with an extended audit of the Core key financial systems
- To note the change in timings for the other planned reviews in the current year 2017-18 Plan

3. Overall Assurance position

At the time of writing this progress report we have not yet completed all the planned reviews, but at this stage, we have found nothing significant that would prevent us from giving substantial assurance associated with the scope of our work and testing we have undertaken.

Progress against Internal Audit Plan 2017-18

Audit	Status of the review	Budgeted days	Start date of field work	End date of the field work	Executive Sponsor	Audit Committee reporting
Continuing professional development	Terms of reference in progress	5	05 December 2017	09 December 2017	Greg Ross-Sampson, Director of Operations Richard Houghton, Head of Registration	17 January 2018
Cyber Security Review	Draft terms of reference completed	12	15 January 2018	31 January 2018	Guy Gaskins, Director of Information Technology	06 March 2018
Registrations Project	Terms of reference in progress	6	05 February 2018	12 February 2018	Greg Ross-Sampson, Director of Operations	06 March 2018
Key Financial Systems Review and Budget Forecasting (replaces Strategic and operational planning and combines the no. of audit days with the key systems review)	Scoping the terms of reference	12	22 January 2018	05 February 2018	Andy Gillies, Finance Director	06 March 2018
Annual Follow up (High and Medium Actions only)	Terms of reference in finalised	2	05 March 2017	07 March 2017	Louise Lake, Director of Council and Committee Services	12 June 2018
Total budgeted days (6 reviews)		37 days				
Strategic and operational planning	Deferred to the 2018-19 IA Plan.	12	11 September 2017	25 September 2017	Andy Gillies, Finance Director	21 November 2017



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Chartered Accountants

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