



HEALTH AND CARE PROFESSIONS COUNCIL INTERNAL AUDIT REPORT - FINAL REPORT

FOLLOW UP
JUNE 2020

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1 Executive Summary

Introduction

1.1 This audit was completed in accordance with the approved annual Internal Audit plan for 2019/20. The implementation of internal audit recommendations is an important part of the organisation's internal control framework. This review is a follow-up of recommendations and agreed actions monitored by management arising from a total of seven reviews undertaken by BDO UK LLP in 2019/20 and Grant Thornton in 2018/19. The reviews were:

- Fraud Risk Assessment (19/20)
- Quality Assurance (19/20)
- Assurance Map (19/20)
- Key Financial Controls Review - Transactions Team (18/19)
- 186 Kennington Park Road Project (18/19)
- Strategic & Operational Planning (18/19)
- Phase 1 Registration Project - Governance and Project Management Review (18/19)

Review objectives and approach

1.2 The purpose of the review was to evaluate the progress that the Health and Care Professions Council had made against the recommendations and actions agreed through the audits. We reviewed a total of 21 recommendations of which were Priority 1 or 2 based on BDO ratings and high or medium based on Grant Thornton's ratings.

Key conclusions

 (Green-Amber)

Generally a good control framework is in place. However, some minor weaknesses have been identified in the control framework or areas of non-compliance which may put achievement of system or business objectives at risk.

1.3 Overall, we consider the recommendations for the Phase 1 Registration Project - Governance and Project Management Review (18/19) and 186 Kennington Park Road Project (18/19) to be fully implemented. Good progress has been made against the Fraud Risk Assessment and Quality Assurance review. However, at the time of our review the Key Financial Controls Review Transactions Team (18/19) and Strategic & Operational Planning (18/19) recommendations remained in progress and the deadline for implementation for these reviews were in Q2/3 2019.

Audit	Status		
	Fully implemented	In progress - overdue	In progress - not due yet
Fraud Risk Assessment (19/20)	5	-	-
Quality Assurance (19/20)	2	3	2
Assurance Map (19/20)	1	-	1
Key Financial Controls Review Transactions Team (18/19)	-	3	-
186 Kennington Park Road Project (18/19)	2	-	-
Strategic & Operational Planning (18/19)	1	1	-

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Phase 1 Registration Project - Governance and Project Management Review (18/19)	1	-	-
Total	12	7	3

1.4 Section 2 details the prior audit recommendations and their implementation statuses.

2 Prior audit recommendations - Implementation Status

Recommendation	Priority	Management response, responsible officer and implementation date	BDO's assessment of implementation during this audit
Fraud Risk Assessment (19/20)			
1. In order to adopt a more strategic approach to managing fraud risk, it is advised that the risk of fraud is more explicitly referenced within the strategic risk register. This will ensure that the risk of fraud is more effectively monitored and demonstrate a clear tone from the top. HCPC may wish to consider adding the risk of fraud as a separate risk within the register or adding fraud risk with the description of either risk 1 or risk 3.	Medium (BDO Priority 2)	<p>Management Response: Accept</p> <p>Action to be taken: Risk of fraud has been added to the Strategic Risk Register commentary.</p> <p>Responsible officer: Chief Information Security and Risk Officer</p> <p>Date for implementation: Completed</p>	<p>Overall assessment: Fully Implemented</p> <p>We reviewed the most up to date HCPC Strategic Risk Register and verified a risk regarding fraud was on the risk register.</p>
2. It is recommended that specific fraud risks are included within relevant risk registers, and that they are subject to regular review - for example adding the risk of fraud to the corporate risk register.	Medium (BDO Priority 2)	<p>Management Response: Accept</p> <p>Action to be taken: As part of the next corporate risk register update, risk owners will be specifically asked if risk of fraud needs to be articulated within their risk</p> <p>Responsible officer: Chief Information Security and Risk Officer</p> <p>Date for implementation: January 2020</p>	<p>Overall assessment: Fully Implemented</p> <p>There are regular reviews of the corporate risk register and risk area owners are asked if risk of fraud needs to be articulated within their risk. However, this has not been identified by risk area owners but this is kept under periodic review.</p>
3. It is recommended that HCPC develop an Anti-Fraud Policy which clearly articulates HCPC's zero tolerance approach to combatting fraud and how to report concerns.	High (Priority 1)	<p>Management Response: Accept</p> <p>Action to be taken: The HCPC's policies will be updated as recommended. It is aimed that these be presented to Council in December 2019 for approval. As part of the next corporate risk register update, risk owners will be specifically asked if risk of fraud needs to be articulated within their risk</p> <p>Responsible officer: Chief Information Security and Risk Officer & Interim Director of HR and OD</p> <p>Date for implementation: December 2019</p>	<p>Overall assessment: Fully Implemented</p> <p>A Fraud & Anti-Bribery Policy has been developed and was approved by Council in February 2020. Our review of the policy confirmed that there was a section detailing how to raise a concern.</p>

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Recommendation	Priority	Management response, responsible officer and implementation date	BDO's assessment of implementation during this audit
<p>4. It is recommended that HCPC ensure that only one version of the Anti-Bribery Policy is available and that the Anti-Bribery Policy include more details as to how staff should raise their concerns. For example, the section should name an individual or job title to whom reports should be made to, as well as some alternative avenues. The reporting mechanism should be in line with whistleblowing reporting and the, to be drafted, Anti-Fraud Policy.</p>	<p>Medium (BDO Priority 2)</p>	<p>Management Response: Accept</p> <p>Action to be taken: The HCPC's policies will be updated as recommended. It is aimed that these be presented to Council in December 2019 for approval.</p> <p>Responsible officer: Chief Information Security and Risk Officer & Interim Director of HR and OD</p> <p>Date for implementation: December 2019</p>	<p>Overall assessment: Fully Implemented</p> <p>The HCPC Fraud & Anti-Bribery Policy is available to all staff through the intranet and training in this area has been developed and provided to all staff. Also, our review of the policy confirmed that there was a section detailing how to raise a concern.</p>
<p>5. It is advised that HCPC explore whether, legislatively, they can perform criminal records (on registrants who have completed a non-UK Approved Programme) and right to work checks on registrants.</p>	<p>Medium (BDO Priority 2)</p>	<p>Management Response: Accept</p> <p>Action to be taken: The costs of undertaking criminal record and right to work checks for 370,000 registrants would be have a significant impact on the HCPC's budget. The human resource required to manage the check system (including renewal of checks) would also be considerable. These additional steps in the registration process would also lengthen registration processing times.</p> <p>The legal feasibility of this will be explored, as well as the current practise of other regulators. If this is legally possible (and desirable taking the above into account) consideration would be needed as to if the cost the check can be passed onto the applicant/registrant.</p> <p>Responsible officer: Head of Registrations</p> <p>Date for implementation: Q4 FY19/20</p>	<p>Overall assessment: Fully implemented</p> <p>The Head of Registrations confirmed that benchmarking against all the health regulators was completed and legal advice was sought. As a result of this, HCPC concluded it was not appropriate or proportionate to introduce the requirement for criminal record or right to work checks.</p>
<p>Quality Assurance (QA) (19/20)</p>			
<p>6. We recommend that Management reviews the current QA reports provided to Audit Committee and consider whether the following information should be included:</p> <ul style="list-style-type: none"> Timelines throughout the year of when reviews are expected to be undertaken and due to be completed. These are currently 	<p>Medium (BDO Priority 2)</p>	<p>Management Response: Accept</p> <p>Action to be taken: As is documented, this is work that the Department is already undertaking. The QA Department report provided to Audit Committee will be developed over this financial year to provide a better overview of the work that the Department is doing in relation to the work plan, and to provide clarity about how the work of the Department fits in to overall assurance activities across the organisation.</p> <p>Responsible officer: Head of Quality Assurance</p>	<p>Overall assessment: In progress - overdue</p> <p>We were notified that the Head of Quality Assurance (QA) has now left the organisation and a QA Lead has yet to be appointed. In light of Covid-19, any planned QA activities have been temporarily suspended for part of Q1 2020-21, but have now resumed.</p>

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<p>provided as part of the reporting to SMT.</p> <ul style="list-style-type: none"> Performance data of the QA team. Significance and/or rating of reports. Clear indicators of where the QA audits fit into the assurance map and overall assurance of the organisation. The reasoning behind each audit undertaken and the benefits of undertaking such audits. 		<p>Date for implementation: Q2-4 2019/20</p> <p>Update from November 2019 Audit Committee: Ongoing</p>	
<p>7. We recommend that as part of developing the framework for the ISO and non ISO audit activity that Management considers setting out the following:</p> <ul style="list-style-type: none"> Clearly define and outline the separation of assurance activities being undertaken by the QA Department and the Governance Department. Considerations should be given to ownership, reporting, methodology and accountabilities for delivery. In addition, the Head of QA, the Governance Department and the Internal Auditors should discuss other areas that could be audited that would add value to the organisation that are outside of BSI/ISO focused areas 	<p>Medium (BDO Priority 2)</p>	<p>Management Response: Accept</p> <p>Action to be taken: As is documented, this is work that the Department is already undertaking. A review of how the QA Department conducts non regulatory department audits started in July 2019 with the aim of developing organisational audits that fully reflect the current needs of the organisation. Part of this work will be to develop a framework between the QA and Governance Departments. This will set out roles and responsibilities, an audit plan and the various factors that have been considered in the production of the plan such as risk registers, assurance mapping, audit activity across the organisation and any organisation requirements such as ISO. This is the same approach that is taken in the determination of the regulatory department quality assurance frameworks in each financial year.</p> <p>Responsible officer: Head of Quality Assurance</p> <p>Date for implementation: Q2-3 2019/20</p> <p>Update from November 2019 Audit Committee: Ongoing</p>	<p>Overall assessment: In progress - overdue</p> <p>A QA action plan for 2020-21 has been developed and this recommendation will be reviewed in Q2 2020, once a QA lead has been appointed. A draft Organisational Assurance Framework, which was produced for 2019-20 by the former Head of Quality Assurance and the former Quality Assurance Development Manager, will be reviewed as part of the QA action plan for 2020-21.</p>
<p>8. We recommend that in the long term, as part of business continuity and succession planning arrangements, each team member be trained and undertake QA audits in each regulatory area. This will ensure there is full assurance coverage across all regulatory areas.</p>	<p>Medium (BDO Priority 2)</p>	<p>Management Response: Accept</p> <p>Action to be taken: Wherever possible, in this financial year and last, we have identified opportunities to undertake cross team working within the Department. The managers work closely together on peer reviewing audit reports, providing input into audit activities, standardising audit materials and providing support for the service and complaints process. At officer level</p>	<p>Overall assessment: In progress - overdue</p> <p>The QA team has undergone training in Lean auditing and root cause analysis in February 2020. This training has fed into the QA action plan.</p> <p>Work has also begun in developing a new approach to quality assurance activities with a</p>

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		<p>we have trialled a cross regulatory team member of staff and look to develop more cross working, particularly at this level. Research with QA teams at other health regulators was carried out at the start of the year, to learn from their development as a central QA function and to determine if our structure and approach was suitable for the organisation. From this information it was apparent that, to develop to a stage where a QA team can undertake audits in any regulatory area, a long term approach is required across several years of development. The current aim is to develop a cross team working approach as much as possible within this financial year and revisit this objective when developing the workplan for next financial year.</p> <p>Responsible officer: Head of Quality Assurance Date for implementation: Review in Q4 for 2020-21 financial year workplan</p>	<p>trial of new ways of working in 2020-21. The current focus is on Fitness to Practise (FtP) activities and all members of the QA team have begun training to share knowledge of FtP processes.</p>
<p>9. An exit meeting should be a mandatory requirement as part of the audit approach. The meeting should be there to detail any findings that are identified throughout the audit process. It would also be beneficial for the QA team and officers to discuss areas of concerns identified and emerging recommendations.</p>	<p>Medium (BDO Priority 2)</p>	<p>Management Response: Accept</p> <p>Action to be taken: We have started to implement exit meetings with heads of Departments in this quarter to discuss audit findings before drafting the reports. We will incorporate this into standard practice going forward.</p> <p>Responsible officer: Head of Quality Assurance Date for implementation: Q2 - implementation in Q1 2020/21</p>	<p>Overall assessment: Fully Implemented</p> <p>The QA team has implemented exit meetings with Heads of Departments to discuss audit findings before drafting the reports. We verified this through meeting invites and an examples of initial finding briefings were provided.</p>
<p>10. We recommend that service standards targets are put in place to monitor performance on individual audits and of the wider team in terms of delivery against the annual QA plan. All standards/targets should be SMART (specific, measurable, achievable, relevant and time-bound). These standards can support reporting to the Audit Committee.</p>	<p>Medium (BDO Priority 2)</p>	<p>Management Response: Accept</p> <p>Action to be taken: As is documented, performance reporting currently indicates how audits are progressing against workplan and senior management are provided with overall workplan and audit schedules for the financial year. The Department will continue to develop the performance reports to both SMT and Audit Committee to ensure that this progress is highlighted more clearly going forward. The Department will look to introduce applicable service standards across the QA functions to provide further information to stakeholders on the progress of delivery of the annual workplan.</p> <p>Responsible officer: Head of Quality Assurance Date for implementation: Q2 - implementation in Q1 2020/21</p>	<p>Overall assessment: In progress - not due yet</p> <p>As the Quality Assurance Lead is yet to be appointed this recommendation has not started. However, this work has been captured within the QA Action Plan for 2020-21.</p>

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<p>11. We recommend that all recommendations are RAG rated or similarly priority rated. This will help to identify which recommendations and issues need to be addressed as a priority and will help to more easily assign an assurance level to the report.</p>	<p>Medium (BDO Priority 2)</p>	<p>Management Response: Accept Action to be taken: Currently, the heads of departments receiving the audit reports review the recommendations, accept or reject these and determine the actions they will complete and timescales in which to complete these. These are then reviewed by the QA Department and SMT. The Department will look to introduce a priority rating for recommendations to assist departments across the organisation in identifying the QA Departments perspective on priorities. Responsible officer: Head of Quality Assurance Date for implementation: Q2 - implementation in 2020/21 Update from November 2019 Audit Committee: Ongoing</p>	<p>Overall assessment: In progress - not due yet As the Quality Assurance Lead is yet to be appointed this recommendation has not started. However, this work has been captured within the QA Action Plan for 2020-21.</p>
<p>12. As is planned, an overall recommendation tracker for the QA function should be put in place.</p>	<p>Medium (BDO Priority 2)</p>	<p>Management Response: Accept Action to be taken: As is documented, work is planned in Q2 to produce an overall recommendations tracker for the Department. This will bring together the regulatory departments individual trackers and aid monitoring and reporting. Responsible officer: Head of Quality Assurance Date for implementation: Q2 - implementation in 2020/21 Update from November 2019 Audit Committee: Ongoing</p>	<p>Overall assessment: Fully Implemented We verified that a recommendations tracker for the QA function is in place.</p>
Assurance Map (19/20)			
<p>13. Updating of current preferred supplier listing. Appropriate training of staff involved in the procuring of goods and services. Capturing and monitoring of performance data related to procurement activity, for example procurement spend information, procurement routes, minimising supplier lists etc.</p>	<p>Medium (BDO Priority 2)</p>	<p>Management Response: Accept Action to be taken: The HCPC has a centralised procurement support approach rather than a centralised function. A procurement policy is in place which includes thresholds and procedures. A procurement specific role is in place within the finance team to provide procurement support to other departments. An improvement plan will be created for our procurement function. The second line of defence - i.e. Management reporting will be improved as a priority - e.g. ClickTravel. The third line of defence - i.e. expenditure commitment is being improved through the improved budget variance analysis. Responsible officer: Director of Finance</p>	<p>Overall assessment: In progress - not due yet A Procurement Improvement Plan was presented to the Senior Management Team in November 2018. The current work that has been completed against the plan is the following:</p>

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Recommendation	Priority	Management response, responsible officer and implementation date	BDO's assessment of implementation during this audit
		<p>Date for implementation: Not provided</p> <p>Update from November 2019 Audit Committee: The improvement plan is being developed</p>	<ul style="list-style-type: none"> - Updated the list of suppliers on the E-sourcing system and have worked with individual departments on uploading their contract documents to the system. - Provided training on the E-sourcing system to all contract managers and to a number of individual teams e.g. Learning and Development. <p>The suite of procurement KPIs proposed under the Procurement Transformation Plan is still being developed.</p>
<p>14. As part of its first line of defence arrangements, HCPC should ensure that all new staff undertake appropriate fraud awareness training in the aforementioned areas on commencement of their roles at HCPC and on a cyclical basis.</p> <p>Management should consider whether an external fraud risk assessment will be beneficial - this can be done as part of an internal audit plan.</p>	<p>Medium (BDO Priority 2)</p>	<p>Management Response: Accept</p> <p>Action to be taken: This will be considered following the independent review findings. The Executive would welcome such a review should the Audit Committee agree to include this in the annual internal audit plan.</p> <p>Responsible officer: SMT</p> <p>Date for implementation: Not provided</p> <p>Update from November 2019 Audit Committee: A review of this area is included in the IA plan for 2019-20. Resulting recommendations will inform improvements in this area</p>	<p>Overall assessment: Fully Implemented</p> <p>It was confirmed that Anti-Bribery Training is provided to staff and is provided to all new joiners.</p>

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Recommendation	Priority	Management response, responsible officer and implementation date	BDO's assessment of implementation during this audit
Key Financial Controls Review – Transactions Team (18/19)			
<p>15. To ensure that HCPC can accurately process payments and refunds, and follow-up on overdue debt, the Transactions Team have to undertake a significant number of manual processes, reviews and validations. The current system, NetRegulate, does not have the functionality to automate any of the processes, and Management are currently implementing a new Customer Relationship Management (CRM) System which is fit for purpose. This will be implemented in approximately two years, and significant work has already been undertaken as part of the requirements gathering phase. We understand that minimising the number of manual process was considered and a key aim when the requirements were drawn up for the new CRM system.</p>	<p>Medium (BDO Priority 2)</p>	<p>Management Response: Accept</p> <p>Action to be taken: Management should review and analyse the current processes and controls in place which the Transactions Team operate, and assess whether they are fit for purpose and if there is an opportunity to streamline and simplify them. To guide this process, Management should assess time spent against benefits, value and risks.</p> <p>As an example, efficiencies could be gained through management using a risk based sample checking approach to reviewing transactions, as opposed to all transactions in some instances such as refunds.</p> <p>To specifically address the examples within the finding, Management, in consultation with IT, may wish to consider:</p> <ul style="list-style-type: none"> • Whether there an opportunity to remove and consolidate review steps in relation to processing refunds. • What mechanisms / applications can be utilised to set automated reminders for when payment request letters are due to be sent out. For example a spreadsheet with formulae and conditional formatting could flag when items are due. • Whether Netregulate or a mail merge function can auto-populate the fee value to be inserted into the payment request letters. <p>Responsible officer: Transaction Manager</p> <p>Date for implementation: September 2019</p> <p>Update from November 2019 Audit Committee: We are working towards no longer receiving cheques and postal / money orders. In addition, as part of the Registration Transformation Project we are streamlining processes and where possible automating them.</p>	<p>Overall assessment: In progress - overdue</p> <p>The Finance Director confirmed that the Transactions Manager has left the organisation and all current processes and controls are currently under review. We were also informed by the Finance Director that cheques and postal/money orders are no longer received and processed.</p>

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Recommendation	Priority	Management response, responsible officer and implementation date	BDO's assessment of implementation during this audit
<p>16. Finding: From a review of core policies and procedures which govern the Transactions Team, Registration Operations Team and Financial Accounting Team's operations, there were instances identified where documents do not clearly capture key processes and controls and where processes are not documented. Significant reliance is also placed on the knowledge of key personnel within HCPC. Specific observations include:</p> <p>a. There is no detailed process document in place for credit controls. Although there is a process map, this is high-level and does not contain sufficient detail to re-perform the task without guidance from management.</p>	<p>All Medium (BDO Priority 2)</p>	<p>Management Response: Accept</p> <p>Action to be taken: a. Develop a detailed process document for credit control related activities.</p> <p>Responsible officer: Transactions Manager</p> <p>Date for implementation: September 2019</p> <p>Update from November 2019 Audit Committee: Awaiting approval by FD but a process document for credit control related activities (non-FTP) has been done. All current process documents capture the owner and date of review and reason.</p>	<p>Overall assessment: In progress - overdue</p> <p>The Finance Director confirmed that the Transactions Manager has left the organisation and all current processes and controls are currently under review.</p>
<p>b. Fitness to practice cases are complex and decisions on whether registrants should be contacted for fees are based on a complex set of outcomes from the case. There is currently no documented guidance in place for the Registration Operations Team in relation to contacting registrants on fitness to practice cases on unpaid fees.</p>		<p>Management Response: Accept</p> <p>Action to be taken: b. Produce a process document to provide guidance to the Registration Operations Team in relation to chasing for payments from registrants in fitness to practice cases.</p> <p>Responsible officer: Registration Operations Manager</p> <p>Date for implementation: June 2019</p> <p>Update from November 2019 Audit Committee: Complete</p>	<p>Overall assessment: In progress - overdue</p> <p>As above.</p>

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Recommendation	Priority	Management response, responsible officer and implementation date	BDO's assessment of implementation during this audit
<p>c. From our discussions with the Treasury Accountant we understand that the bank reconciliations process document does not reflect the current practice. The document does not specify the owner and review dates.</p>		<p>Management Response: Accept</p> <p>Action to be taken: c. Update the bank reconciliations process document to reflect the current process in place.</p> <p>Responsible officer: Head of Financial Accounting</p> <p>Date for implementation: June 2019</p> <p>Update from June 2019 Audit Committee: Agreed management action is in the Treasury Accountant's objectives and due in the second quarter.</p> <p>Update from November 2019 Audit Committee: Complete</p>	<p>Overall assessment: In progress - overdue</p> <p>As above.</p>
<p>d. The Director of Finance's payment authorisation limit is £25,000, which is documented in a July 2018 council meeting paper. From our discussions with the Director of Finance we understand that she is able to delegate an amount to other managers in the team at her discretion and has delegated an authorisation limit of £10,000 for some expense items to the Head of Financial Accounting. These delegations are not documented and it is unclear whether the Council intends the £25k delegated amount to Directors to be sub-delegated without the Council's express authorisation.</p>		<p>Management Response: Accept</p> <p>Action to be taken: d. Management should ascertain whether the Council intends the £25k delegated amount to Directors to be sub-delegated without the Council's express authorization. Based on the outcome of discussions with the Council, Management may have to document the delegations of authority capturing the Director of Finance's delegations.</p> <p>Responsible officer: Director of Finance</p> <p>Date for implementation: July 2019</p> <p>Update from November 2019 Audit Committee: The scheme of delegation is currently being reviewed with a revised SoD to be presented to the Audit Committee in March 2020.</p>	<p>Overall assessment: Fully Implemented</p> <p>The updated HCPC's Scheme of Delegation was approved by Council in March 2020.</p>

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<p>e. Detailed process documents are produced by the Transactions Manager on banking and refund processes, however these documents do not specify the owner and document review dates.</p>		<p>Management Response: Accept</p> <p>Action to be taken: e. Update all policies and procedure documents to capture the owner and dates of review.</p> <p>Responsible officer: Transaction Manager, Registration Operations Manager, Treasury accountant / Head of Financial Accounting.</p> <p>Date for implementation: September 2019</p> <p>Update from November 2019 Audit Committee:</p> <p>HOFA: About 80% of the finance procedures have been updated to include owner and review dates. The remaining 20% is currently being reviewed; this is due to the treasury manager being on long term sick.</p> <p>ROM: Registration already have a complete set of process guides. No action necessary for us.</p>	<p>Overall assessment: In progress - overdue</p> <p>The Finance Director confirmed that the Transactions Manager has left the organisation and all current processes and controls are currently under review, including the policies and procedures.</p>
<p>17. Management information and analysis surrounding aged debt balances are to be communicated to Senior Management. Frequency of reporting, and forums for which to report to are to be determined, though at a minimum Finance and Registration should have oversight.</p> <p>Management should define categories or reason codes for non-payment and these should be captured within the registrants balance report, in order to facilitate more detailed analysis and discussion.</p> <p>Areas to consider as part of reporting could include (but are not limited to): debtor trends over time (e.g. by profession), analysis on most common reasons for non-payment, and write-offs due to registrants being removed from the register.</p>	<p>Medium (BDO Priority 2)</p>	<p>Management Response: Accept</p> <p>Action to be taken: Included in the transaction managers objectives. Some of reports recommended can be prepared internally and some will need assistance from the Supplier or IT department.</p> <p>Responsible officer: Transaction Manager</p> <p>Date for implementation: July 2019</p> <p>Update from November 2019 Audit Committee:</p> <p>Energysys have designed the debt report but due to the volume of projects and server issues, it has been challenging getting access to the UAT environment to test.</p>	<p>Overall assessment: In progress - overdue</p> <p>The Finance Director confirmed that the Transactions Manager has left the organisation and this is being reviewed.</p>

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186 Kennington Park Road (18/19)			
<p>18. There is no evidence that a full cost benefits analysis was performed nor were benefits realisation tracking procedures established for the 186 KPR project specifically, and we could not see evidence that a procedure exists whereby tracking is established for all projects.</p> <p>Based on interviews held, however, there is anecdotal evidence that benefits have been realised, though not given a financial value. For example, comments made to HCPC by visitors and from employees that the working environment has improved, though these comments as they stand do not facilitate assigning a financial value to the benefits realised.</p> <p>HCPC has a number of means to gather data to facilitate tracking of benefits as part of its business as usual processes, including monitoring of staff turnover and conducting staff surveys on the particular theme of the working environment.</p>	<p>Medium (BDO Priority 2)</p>	<p>Management Response: Accept Action to be taken: The existing methodology caters for limited benefits Management through the net present value (NPV) calculations submitted as part of Initiation. As per the existing Audit point referencing the updated Project Management methodology, which targets increased Agility and a focus on increasing the predictability of project outcomes, the Financial Year (FY) 2019-20. Work plan includes an activity to update the methodology in line with the draft government standard for project delivery (GovS002). This methodology update will embed benefits and the realisation plan both, during and post project at its core.</p> <p>Management will ensure that this methodology update retains a standard benefits realisation tracking procedure as part of its core scope.</p> <p>Responsible officer: Head of Projects Date for implementation: March 2019 Update from November 2019 Audit Committee: Complete.</p>	<p>Overall assessment: Fully Implemented The Major Projects department submitted a paper to Audit Committee in March 2019 which outlined the overall project methodology review. All new projects now have a benefits tracker, realisation plan and post project review plan. Closed projects are now archived online for record keeping.</p>

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Recommendation	Priority	Management response, responsible officer and implementation date	BDO's assessment of implementation during this audit
<p>19. Finding: Contingency amounts for time and cost have been included at each stage of the renovation project. There is, however, no explanation of how the amount has been derived and how it has been assessed as reasonable for the particular project.</p> <p>There is also no procedure for approval of using contingency and no record stating how contingency has been used specifically in the renovation of 186 Kennington Park Road.</p>	<p>Medium (BDO Priority 2)</p>	<p>Management Response: Accept</p> <p>Action to be taken: The existing project management methodology calls for a standard 15% contingency on the capital expenditure (CAPEX) line. All project spend, including contingency falls under the governance of the project board. This message should be reinforced for all projects.</p> <p>Moving forward, the methodology update in response to the existing Audit point will further expand governance of the primary delivery phase to include formal stage gates and decision points for key events. During this methodology update, the level of contingency will be reviewed to ensure that an appropriate level is set per project if a straight 15% is not applicable.</p> <p>Responsible officer: Head of Projects</p> <p>Date for implementation: March 2019</p> <p>Update from November 2019 Audit Committee: Complete.</p>	<p>Overall assessment: Fully Implemented</p> <p>The HCPC Project Management methodology has been updated to reflect a Waterfall approach in delivering projects. The updated approach has expanded governance of the primary delivery phase to include formal stage gates, gateway reviews and decision points for key events. This is captured in the HCPC Project Management Guide, which was updated in October 2019.</p>
<p>Strategic & Operational Planning 18/19</p>			
<p>20. Management should formally document the strategic and operational planning process. Once completed, the document should be subject to regular review and update.</p> <p>The document should provide sufficient detail regarding the end-to-end process for strategic and operational planning, including key</p>	<p>Medium (BDO Priority 2)</p>	<p>Management Response: Accept</p> <p>Action to be taken: The strategic and operational planning process has evolved over a number of years and is now embedded in the organisation.</p> <p>With the introduction of new strategic priorities and the development of a new Corporate Strategy and annual corporate plan, we will take the opportunity to document the process we</p>	<p>Overall assessment: In progress - overdue</p> <p>We were provided with a copy of the CER Strategic & Operation Planning document. This is a high level documented process map for strategic planning. It provides detail regarding the end-to-end process for strategic and operational planning, including key processes and the levels of engagement across from Heads of Department to external stakeholders.</p>

Internal Audit REPORT - Follow up

Recommendation	Priority	Management response, responsible officer and implementation date	BDO's assessment of implementation during this audit
<p>processes such as the strategic away day and completion of work plans.</p> <p>Management should create a formalised change management process and implement appropriate controls to ensure that changes to the organisations' strategy are captured and updated within the relevant documentation.</p>		<p>follow and will also refresh the process map we have in the Quality Management System.</p> <p>Responsible officer: Executive Director of Policy and External Relations</p> <p>Date for implementation: End of Q3 18/19</p> <p>Update from June 2019 Audit Committee: 5 March 2019 - A documented process description and corresponding map for strategic planning is currently still in draft format and requires further amendments to be finalised. It is understood that review of this document is an agenda item for the SMT for 26th February. It is understood that the action was not completed in line with the original due date due to a reprioritisation of commitments by Management.</p> <p>Revised implementation date: March 2019</p> <p>Completion date: June 2019</p>	<p>However, the document provided was currently a working draft.</p>
<p>21. Management should introduce a stakeholder map/grid, which identifies and places stakeholders in different quadrants based on their level of interest and impact to HCPC.</p> <p>For example, each quadrant could be classified as 'key players', 'keep informed', 'keep satisfied' and 'minimum effort', in line with practice we have observed in other organisations and sectors.</p>	<p>Medium (BDO Priority 2)</p>	<p>Management Response: Accept</p> <p>Action to be taken: For some time, we have used a stakeholder matrix to support our engagement and communications work. This sets out who all our stakeholders are, by type and organisation as well as their interests and who in the organisation is responsible for leading the engagement. For specific projects or pieces of work, we also identify key stakeholder groups we need to engage with and tailor our communications accordingly.</p> <p>With the development of a new stakeholder engagement and communications plan, we have taken the opportunity to further refine the stakeholder matrix in line with the good practice identified here. This was discussed with Council in their May meeting and the work is currently underway</p> <p>Responsible officer: Executive Director of Policy and External Relations</p> <p>Date for implementation: End of Q3 18/19</p> <p>Update from June 2019 Audit Committee: Development and review of the Stakeholder Matrix is currently in progress. We have evidenced screenshots of the database (full access was not provided for personal data reasons) and we</p>	<p>Overall assessment: Fully Implemented</p> <p>A stakeholder matrix has been developed and is located on the key stakeholder engagement Teams site. The matrix is detailed and updated on a regular basis. The matrix lists key stakeholders, organisation type, person responsible, key areas of interests and the coverage of area. It captures the stakeholders' communication activity and whether they have an interest, influence and/or advocate any of HCPC's regulatory functions/work.</p>

Internal Audit REPORT - Follow up

Recommendation	Priority	Management response, responsible officer and implementation date	BDO's assessment of implementation during this audit
Phase 1 Registration Project - Governance and Project Management Review (18/19)			
<p>22. Phase 1 was described as employing a hybrid approach but overall management, as shown by progress reporting and project plans, was largely waterfall in nature. According to those interviewed in this audit, HCPC as an organisation is not familiar with elements of the agile approach to project delivery. Historically the HCPC Council has favoured the traditional approach based on PRINCE2 whereby the scope of what is to be delivered is, in effect, established and fixed at the outset of the project. There has not been the opportunity to explore different methodology approaches to project delivery at HCPC.</p>	<p>Medium (Priority 2)</p>	<p>Management Response: Accept</p> <p>Action to be taken: The strategic and operational planning process has evolved over a number of years and is now embedded in the organisation. With the introduction of new strategic priorities and the development of a new Corporate Strategy and annual corporate plan, we will take the opportunity to document the process we follow and will also refresh the process map we have in the Quality Management System.</p> <p>Responsible officer: Project Board</p> <p>Date for implementation: August 2018</p> <p>Update from June 2019 Audit Committee: 5 March 2019 - The Project Management Guide has been provided which demonstrates version control and updates which have taken place. We have also evidenced review of the Project Management Guide by Management. SMT will consider the merits of a more agile approach to project management at its meeting in February, but until such a time a decision is made the current methodology will apply. Revised completion date below has been agreed with action owner.</p> <p>Revised implementation date: March 2019</p> <p>16 May 2019 - SMT considered the paper on a revised project methodology at its meeting on 26 February. Council considered a paper discussing the methodology review at its May meeting. Changes to the methodology are due March 2020.</p> <p>Revised implementation date: March 2020</p>	<p>Overall assessment: Fully implemented</p> <p>HCPC's Project Management methodology has been updated to reflect a Waterfall approach in delivering projects.</p>

A Audit definitions

Opinion/conclusion	
 (Green)	Overall, there is a sound control framework in place to achieve system objectives and the controls to manage the risks audited are being consistently applied. There may be some weaknesses but these are relatively small or relate to attaining higher or best practice standards.
 (Green-Amber)	Generally, a good control framework is in place. However, some minor weaknesses have been identified in the control framework or areas of non-compliance which may put achievement of system or business objectives at risk.
 (Amber)	Weaknesses have been identified in the control framework or non-compliance which put achievement of system objectives at risk. Some remedial action will be required.
 (Amber-Red)	Significant weaknesses have been identified in the control framework or non-compliance with controls which put achievement of system objectives at risk. Remedial action should be taken promptly.
 (Red)	Fundamental weaknesses have been identified in the control framework or non-compliance with controls leaving the systems open to error or abuse. Remedial action is required as a priority.
Recommendation rating	
Priority ranking 1:	There is potential for financial loss, damage to the organisation's reputation or loss of information. This may have implications for the achievement of business objectives and the recommendation should be actioned immediately.
Priority ranking 2:	There is a need to strengthen internal control or enhance business efficiency.
Priority ranking 3:	Internal control should be strengthened, but there is little risk of material loss or recommendation is of a housekeeping nature.

B Staff consulted during the review

Name	Job title
Jacqueline Ladds	Executive Director of Policy & External Relations
Tian Tian	Finance Director
Roy Dunn	Chief Information Security & Risk Officer
Paul Cooper	Head of Projects
Richard Houghton	Head of Registration
Antonio Pinheiro	Finance and Procurement Officer
Aveen Croash	QA Manager

We would like to thank these staff for the assistance provided during the completion of this review.

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