



INTERNAL AUDIT PROGRESS REPORT
FOR THE 2020/21 AUDIT PLAN
HEALTH AND CARE PROFESSIONS COUNCIL

CONFIDENTIAL
STATUS - FINAL
NOVEMBER 2020

1. Internal Audit Progress Report

Introduction

1.1 This report summarises the progress so far regarding the delivery of the internal audit plan for 2020/21. The Audit Committee is requested to note this report.

Delivery of the plan

1.2 To date the following audits have been completed:

- Reshaping the Organisation
- IT Controls
- PSA & Internal Reporting
- Fitness to Practise - follow-up

1.3 With the remaining audits we continue to work closely with Management on scheduling, paying particular sensitivity to current remote working arrangements. A summary of the plan to-date is set out in the adjacent table.

Changes to the plan

1.4 There have been no changes to the plan since our last update.

Assignment title	Output type	Period	Status	Proposed Audit Committee Date
Reshaping the Organisation	Advisory/ Assurance	Q1	Final Report	September 2020
PSA & Internal Reporting	Assurance	Q1	Final Report	November 2020
IT General Controls	Assurance	Q1	Final Report	September 2020
Intelligence Gathering	Advisory	Q3	On-track	March 2021
Fitness to Practise - follow-up	Assurance	Q3	Final Report	November 2020
Registration end to end	Assurance	Q3	On-track	March 2021
Culture and Ethics	Advisory	Q4	On-track	June 2021
Financial Modelling	Assurance	Q4	On-track	March 2021
Follow up	Assurance	Q4	To be scheduled	June 2021

2. BDO Insights

- 2.1 We have provided generic learnings from across our client base as a whole, in a separate report, which covers the React, Resilience & Realise phases cutting across a range of themes.
- 2.2 React - The way in which organisations respond to the initial impact of the COVID-19 crisis, minimising the catastrophic effects on its business operations, employee safety, supply chain and ongoing financial viability
- 2.3 Resilience - Maintaining business operations during 'lockdown' disruption using techniques that allow people, processes and information systems to adapt to changing patterns. The ability to alter operations in the face of changing business conditions preserving the continuity of the provision of "critical functions" to a firm's customers.
- 2.4 Realise - Applying the learnings from key 'React' and 'Resilience' activities and continuing to adapt. Successfully adapting to new business models and ways of working needed to address essential and obligatory political, economic, socio-cultural, and technological changes.
- 2.5 Specific learning from our regulators and similar not-for-profit organisations include the following:

React

- 2.6 Organisations generally reacted well, both managing their staff to move to a home working environment and delivering their core services where those services do not interact with the public face to face.
- 2.7 Good performance has largely been helped by having good DR and BCPs in place which are regularly tested. Also assisting the transition to home working has been the use of Office 365 - those organisations with it in place and largely one laptop per staff member had little problem with the transition to home working.

- 2.8 Regulators largely stopped their face-to-face interactions with their regulated community where the regulator visits the regulated bodies or professionals in those professional settings. However, for many, revalidation, registration and some FtP or similar processes have slowed down or were temporarily stopped. Hearings have started at different paces, with a move to electronic remote hearings. That has caused logistical difficulties in some cases, but organisations are now looking to make this more the norm even after the pandemic is over.
- 2.9 Staff wellbeing has been a key priority, even where organisations do not have a threat to their income and thus have a high threat to staff job security.
- 2.10 Key lessons have included ensuring that future BCP plans consider more how to unwind emergency responses and bring services back on line. Also, there has been a challenge from those in charge of governance (i.e. the equivalent of Council) about their role in the crisis and whether they should be merely informed or take a more active role.
- 2.11 The pandemic has also engendered a more collegiate working across teams at all levels, including the senior management team or equivalent, with greater empowerment given to staff. However, this positive outcome is not experienced universally.

Resilience & Renewal

- 2.12 Moving back to a normal way of working has raised questions about what positive learnings from the pandemic can be retained. Learnings include different ways of working, whether all of the systems and processes are needed in their current form and whether a '80:20' approach is required to policy making and decision taking. Changes also include use of remote means for identification of registrants.
- 2.13 Organisations have also assessed the amount of backlog they are likely to face and set up a taskforce to look at reprioritisation of work and redeployment of some staff temporarily to ensure FtP backlogs are being address as quickly as possible. We note that one regulator is looking at changing risk thresholds. We know of

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several organisations that have set up or accelerated plans to put a gateway approval process in place for the reprioritisation work, with an emphasis on making sure some activities are stopped if they are no longer relevant. Stopping activities has been challenging culturally as people hold on to their existing projects or the comfort of their current ways of working.

- 2.14 Regular staff surveys and communications have been key as the pandemic first wave subsided. Staff who need to return to the office have been permitted to do so, with a thorough risk assessment carried out.
- 2.15 Some organisations have already planned for a second wave in their financial and logistics planning, so the current developments nationally have already been anticipated.
- 2.16 For some organisations, the pandemic has given the opportunity to take a 'step back' and really think hard about what it wants to do and the way it operates. Concerns are prevalent, however, that the goodwill and desire for change will be short-lived and people will slip back into their old ways.

FOR MORE INFORMATION:

SARAH HILLARY

+44 (0)20 7651 1346
Sarah.hilliary@bdo.co.uk

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Author:

William Jennings

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Bill Mitchell