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## Internal Audit Progress Report 2021-22

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### Executive Summary

This report summarises the progress so far regarding the delivery of the internal audit plan for 2021/22.

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Previous consideration	None.
Decision	To note
Next steps	The Committee will receive update reports at each meeting on the progress of the Plan.
Strategic priority	All
Risk	All
Financial and resource implications	None as a result of this report
Author	BDO LLP

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INTERNAL AUDIT PROGRESS REPORT  
FOR THE 2021/22 AUDIT PLAN  
HEALTH AND CARE PROFESSIONS COUNCIL

CONFIDENTIAL  
STATUS - FINAL  
SEPTEMBER 2021

# 1. Internal Audit Progress Report

## Introduction

- 2.1 This report summarises the progress so far regarding the delivery of the internal audit plan for 2020/21. The Audit & Risk Assurance Committee is requested to note this report. We also include in the Appendix, a recently-published BDO 'rethink' article for Audit Committees.

## Delivery of the plan

- 2.2 The Financial Modelling audit from the 2020/2021 internal audit plan has been finalised and is being presented at this Committee meeting.
- 2.3 The Risk Management audit from the 2021/22 internal audit plan has been finalised and is being presented at this Committee meeting. Scoping meetings have been held for the Safeguarding Controls audit. The remaining audits for the 2021/22 internal audit plan have audit resource scheduled, and scoping meetings have been arranged with management to take place closer to the start times of the audits.

## Changes to the plan

- 2.4 The originally planned Policy and Standards audit has been replaced with an audit of Digital Transformation Benefits Realisation as Committee's view was this would add more value to the plan. Management has requested a change to the timing of this audit so that the fieldwork is conducted in February 2022 with a view to the final report being presented in June 2022.
- 2.5 In addition, the originally planned Continued Professional Development audit has been replaced with an audit of Registrations Payment Processes. This is in response to issues with Registrations payment processing as a result of the introduction of Business Central.

Assignment title	Output type	Period	Status	Proposed Audit Committee Date
Risk Management	Assurance	Q1	Final Report	September 2021
Safeguarding Controls	Assurance	Q3	Scheduled	November 2021
Registrations Payment Processes	Assurance	Q3	Scheduled	March 2022
Key Financial Controls	Assurance	Q3	Scheduled	March 2022
Digital Transformation Benefits Realisation	Assurance	Q4	Scheduled	June 2022
Education	Assurance	Q4	Scheduled	June 2022
Follow up	Assurance	Q4	Scheduled	June 2022

## Appendix: Rethinking the Audit Committee; 9 areas for consideration

### Rethinking the Audit Committee; 9 areas for consideration

The following has been recently published on our website. The full article is available on the BDO website and via Ewan Shears.

The impact of the coronavirus pandemic on the UK and global economies has been severe and has led to significant changes in demand across all economic sectors. The speed and strength of UK and global economic recovery will depend in large part on the success of public health measures and economic policies.

It is likely that all businesses will be affected in some way. Studies from the last recession suggest that companies that are proactive can gain a lasting competitive advantage. It is more important than ever for Audit Committees to be seeking assurance over their organisation's business impact assessments and the response plans for the short, medium and long term.

When it comes to the role of the Audit Committee in seeking assurance over the organisation's management of the crisis, now is time to rethink the questions they are asking and what information they need.

Many organisations will follow a staged process to manage a crisis. Our own BDO Rethink Model is based on React; Resilience; and Realise.

We have highlighted nine key areas that Audit Committees should be questioning and seeking assurance over. We look at:

1. Cyber Security - cyber criminals are quick to exploit opportunities to make fraudulent gains. COVID-19 is no different and 'phishing' campaigns were soon up and running hoping to trick unsuspecting employees
2. Financial Fraud - as a result of social distancing and the increased levels of remote working the usual controls, policies, systems and processes often take

second place. Fraudsters only need one instance of a control failure to succeed

3. Regulatory Compliance - in the current climate, some regulators may be relaxing reporting requirements and deadlines but have not changed the expectation of good governance
4. Data Privacy - as a result of the pandemic, data privacy has been catapulted back into the limelight. Organisations have been forced to process personal information in different ways than they would have done so previously
5. Performance and Reporting - monitoring, measuring and reporting on the financial and operational health of the organisation will be crucial during the crisis
6. Scenario Planning - it is vital to have a clear plan for a number of potential scenarios to assist in decision making and to ensure sufficient cash headroom
7. Focus of Internal Audit - Some Internal Audit functions have moved to 'dynamic' audit planning in the short term, whereby plans are reassessed quarterly or every six months to reflect the rapidly changing risk environment
8. Supply Chain and Contract Management - the inter-connectedness across the value chain has highlighted the fragility of the supply chain and limitations of existing models. It has also demonstrated how supplier shortfalls are closely linked to the promises organisations have made on the customers/client side
9. Managing Change - the focus to date has been primarily based on reacting to the challenge confronting all of us and there has clearly been a great 'crisis' response from so many people and organisations in establishing effective interim activities and operations.

The full article is available on the BDO website and via Ewan Shears.

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