

## Audit and Risk Assurance Committee

<b>Meeting Date</b>	11 March 2026
<b>Title</b>	Internal audit recommendations tracker
<b>Author(s)</b>	Nicole Jones, Improvement and Compliance Specialist
<b>Executive Sponsor</b>	Claire Amor, Executive Director of Corporate Affairs
<b>Executive Summary</b>	
<p>This report provides the Committee with progress updates on the implementation of recommendations arising from internal audits. In addition, any significant quality assurance recommendations and recommendations arising from ISO standard audits will be added.</p> <p>Recommendations which have been implemented have been removed from this report. The original numbering of recommendations has been retained.</p> <p>Please refer to individual internal audit reports for the background to recommendations.</p> <p>The original deadline, and any deferrals, is included on the tracker. If the deadline has changed, the justification is noted in the commentary.</p>	
<b>Action required</b>	The Committee is asked to review the information provided and seek clarification on any areas.
<b>Previous consideration</b>	This is a standing item considered at each meeting of the Committee.
<b>Next steps</b>	The next report will be received in June 2026
<b>Financial and resource implications</b>	Not applicable.
<b>Associated strategic priority/priorities</b>	All
<b>Associated strategic risk(s)</b>	All
<b>Risk appetite</b>	Compliance - measured

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<b>Communication and engagement</b>	Not applicable.
<b>Equality, diversity and inclusion (EDI) impact and Welsh language standards</b>	Not applicable.
<b>Other impact assessments</b>	Not applicable.
<b>Reason for consideration in the private session of the meeting (if applicable)</b>	Not applicable

# Item 15

## Internal Audit report – Registrant Forecasting Review (first considered at Audit and Risk Assurance Committee 9 November 2022)

### Recommendations summary

Priority	Outstanding recommendations	Status	
High	0	Overdue	0
Medium	1	Open	0
Low	0	Closed	1

Recommendation / Priority (RAG)	Management response	Timescale/Responsibility	On track Y/N	Completion Date/Status	Previous Commentary	Current Commentary
<p>4. <b>Where there is manual intervention, for example extracting the number of registrants from the model and importing into the Financial model there is a risk that errors arise which can ultimately affect decision making and further numbers generated.</b></p> <p>4. a) Investigate whether it is possible to do an automated upload from the model into the Financial model. If this is not possible, consider whether the model can be adapted to include what is required for the Financial model with less manual intervention. A secondary check should be undertaken for all data extracted from the model that is incorporated into the Financial model to verify accuracy.</p> <p>4. b) Consider if it is possible to incorporate and thus easily identify from the model the number of registrants on discounted registrant fees and those on full registrant fees to support the Finance team further.</p>	<p>This is happening already, to a certain extent, whereby registrant numbers are extracted from the CRM system to inform our financial figures. Further work will need to be carried out to incorporate this seamlessly as part of the overall process.</p>	<p>January 2023 Finance Business Partner</p>	Y	<p><del>January 2023</del> <del>March 2023</del> <del>31 March 2025</del> <del>01 Sept 2025</del> 31 Dec 2025</p>	<p>We have validated Credit Memo and Job Queue automation in UAT2 environment. Deferred income have a dependency on Credit Memo logic, both of which are on schedule to be completed by the end of November 2025. We are still on track for the expected delivery date of 31 December 2025.</p>	<p>Credit Memo solution and Job Queue automation was implemented via Business Central on 12 January 2026. All work on which had dependency on deferred income has been resolved. The deferred income implementation is on a phased basis by profession as they go into new cycles. All professions will be completed by Q2 2026-27. This recommendation is complete.</p>

Internal Audit report – Procurement of Large Contracts (first considered at Audit and Risk Assurance Committee 13 March 2024)

Recommendations summary

<b>Priority</b>	<b>Outstanding recommendations</b>	<b>Status</b>
High	0	Overdue
Medium	2	Open
Low	0	Closed

Recommendation / Priority (RAG)	Management response	Timescale/Responsibility	On track Y/N	Completion Date/Status	Previous Commentary	Current Commentary	Additional Comments on Timescales
3 HCPC should introduce regular (at least 6 monthly) reviews of its contracts in place to ensure performance is in line with expectations and any areas of identified under performance are identified and rectified in a timely manner.	The Procurement team should: a) Introduce second line and documented 'spot checks' to ensure that procurement activity is in line with prescribed guidance. b) Discuss second line 'end to end' spot checks with the Quality Assurance team and consider if they are able to support in undertaking them on a regular basis. c) Introduce a more comprehensive description of any large value contracts single source requests with a focus on the effectiveness of the procurement process.	Action Owner: Finance Operations Manager	Y	<del>June 2024- April 2025</del> <del>September 2025- December 2025</del> <del>31 March 2026- 30 September 2026</del>	The Vendor Performance Evaluation Form has been successfully implemented and now in use. We aim to collect and review performance information on a quarterly basis to ensure ongoing supplier quality.  The Contract Management is currently work in progress. However, due to shifting priorities, the updated completion date is end of Q4 2025-26.	The Vendor Performance Evaluation form has been fully completed and is actively in use to assess vendor performance.  Contract management activities are progressing however due to higher level priorities this places the contract management process at risk for Q4. Completion date is pushed back to coincide with the new Procurement Manager starting with us around that time. We are also hoping to have the Senior Procurement BP hired around the same period.	The broader delay to full implementation over the past two years has also been driven by a number of competing strategic and operational priorities:  •Significant effort was required to embed and centralise the procurement function across the wider business, including updating our contracts register, consolidating key contractual documentation and managing a series of critical renewals, particularly with our legal and IT contracts.  •In parallel, considerable resources were absorbed in addressing several contractual disputes relating to pricing and service delivery.  •Additionally, substantial work was undertaken to review and update procurement policies and processes to ensure compliance with the Procurement Act 2023, which came into effect in February 2025.  •This was further exacerbated following the departure of the Procurement Manager in November 2025. While performance reviews continue to take place, they are currently being conducted closer to contract renewal points.  We are actively recruiting a replacement Procurement Manager and are also seeking to appoint a Senior Procurement Business Partner to strengthen resilience and avoid further slippage against target timelines. In the interim, the focus is on prioritising core BAU procurement campaigns until permanent capacity is restored.
5 HCPC should review the approved supplier list on a regular basis and where required, remove suppliers no longer identified as providing value for money and add where new value for money suppliers are identified.	We will implement a similar process as per the management response for audit finding 3 (contract and supplier evaluation). We will also ensure that individuals are aware of the approved supplier list when they are looking to procure products/services, which would give assurances that the list of suppliers have been reviewed and meet our requirements.	Action Owner: Finance Operations Manager	Y	<del>June 2024- April 2025</del> <del>September 2025- December 2025</del> <del>31 March 2026- 30 September 2026</del>	We are reconciling the approved supplier list between the Procurement data and the Finance system. This process includes verifying supplier details, ensuring consistency across and identifying any discrepancies. We are also ensuring that suppliers who do not demonstrate value for money are not renewed in future procurement process.	Reconciliation of the supplier list is currently in progress and proceeding. The activity remains on track for completion by the end of Q4. Completion date is pushed back to coincide with the new Procurement Manager starting with us around that time. We are also hoping to have the Senior Procurement BP hired around the same period.	

# Item 15

## Internal Audit report – KPIs (first considered at Audit and Risk Assurance Committee 12 March 2025)

### Recommendations summary

Priority	Outstanding recommendations	Status	
High	0	Overdue	0
Medium	0	Open	2.7
Low	3	Closed	0.3

Recommendation / Priority (RAG)	Management response	Timescale/Responsibility	On track Y/N	Completion Date/Status	Previous Commentary	Current Commentary
<p>1. We recommend that HCPC undertake the following, for the development of new KPIs and to ensure their ongoing maintenance:</p> <p>a) Alignment workshops: Organise workshops and meetings where KPI owners can collaborate and discuss how their KPIs support the current and new Corporate Strategy, fostering a shared understanding and commitment to strategic goals.</p> <p>b) Good documentation, regular communication and training: Ensure a routine communication and on the job training programme and documentation for new KPI owners and for the introduction of new KPIs. This should include information such as KPI purpose and alignment with the Corporate Strategy.</p> <p>c) Automation: Investigate automating manual parts of the data collection for KPI 5.</p>	<p>a) Accept – this will be integrated into the overarching corporate strategy development which will take place in 2025/26 to ensure the new KPIs are aligned to the new strategy.</p> <p>b) Accept – we will ensure appropriate KPI training included in the induction programme. This will progress following completion of 1.a.</p> <p>c) Accept – This will be considered as part of the 2024/25 Feedback &amp; Complaints review. Update; this has been deferred to 2026-2027.</p>	<p>a) Deputy CEO &amp; Executive Director of ERRS</p> <p>b) Executive Director of Resources</p> <p>c) Head of Assurance and Compliance</p>	<p>Y</p> <p>Y</p> <p>Y</p>	<p><del>01 March 2026</del></p> <p>21 May 2026</p>	<p>a) Volunteers and nominees from every department shared ideas on our values, internal and external survey results, Fitness to Practice, the impact of AI, and more. We also held focus groups with members of our Employee Forum and with external stakeholders, ensuring a broad range of voices feed into our work. All feedback from these discussions will contribute to defining the themes of our Corporate Strategy. Council will discuss Corporate Strategy at their next meeting and engage with key stakeholders as it continues to be developed.</p> <p>b) As per the management response, we will ensure KPIs will be included within the first three months.</p> <p>c) Same as above.</p>	<p>a) An alignment workshop will be held as a part of the KPI review. The KPI review has commenced, and updated KPIs will be confirmed for May Council meeting. They will be first reported on in July Council under the CEO report. Timelines may change owing to capacity in governance, but will continue to be monitored and are committed to implementing this.</p> <p>b) After consideration it seems disproportionate to include KPI training in our general corporate induction for all new staff. However, to ensure that when new Heads of Service join they are appropriately prepared for the role, the most recent CEO report to Council that includes KPI reporting will be included in their induction bundle, and the appropriate Executive Director will ensure that the new HoS understands these KPIs and their ownership of any that will sit in their department. This will be further reinforced through the induction meeting with the Head of Governance who will discuss KPIs as part of their corporate governance requirements induction. With the review and ongoing cycle we will build a clear audit trail of our KPIs and decision making. This recommendation is closed.</p> <p>c) Feedback and complaints is part of the phase 2 of the customer contact project alongside the ongoing single CRM project. Automation will be investigated as part of these projects. This recommendation is complete.</p>
<p>2. HCPC should undertake regular (cyclical) documented reviews of their KPIs and associated underpinning assumptions to ensure they remain relevant and accurate.</p>	<p>Accept – we will undertake a full review aligned to the development of the corporate strategy and we will complete a full cycle of review across the KPIs during the lifetime of the strategy.</p>	<p>Head of Assurance and Compliance</p>	<p>Y</p>	<p><del>01 March 2026</del></p> <p>21 May 2026</p>	<p>Work on this recommendation will start in Q4.</p>	<p>with the final draft of the corporate strategy, the review has started. the first reporting to be included in the CEO report in July, follow Council approval in May. These will be reviewed on a two cycle, or as part of any new corporate strategy planning, as appropriate.</p>
<p>3. HCPC should consider establishing a standardised template for documenting lessons learned from each KPI review cycle. This should include details of successes, challenges, and specific actions taken.</p>	<p>Accept - Recommendation a: as part of the cyclical review of KPIs (see recommendation 2 above) we will develop a process and document to capture that review.</p>	<p>Head of Assurance and Compliance</p>	<p>Y</p>	<p><del>01 March 2026</del></p> <p>21 May 2026</p>	<p>Work on this recommendation will start in Q4.</p>	<p>The template is in development to support the first review due to launch with the new corporate strategy.</p>

# Item 15

Internal Audit report – Outreach (first considered at Audit and Risk Assurance Committee 12 March 2025)

## Recommendations summary

Priority	Outstanding recommendations	Status
High	0	Overdue 0
Medium	4	Open 2
Low	0	Closed 2

Recommendation / Priority (RAG)	Management response	Timescale/Responsibility	On track Y/N	Completion Date/Status	Previous Commentary	Current Commentary
1 Develop a list of 'must have' datasets that should be incorporated in future system upgrades, such as the employer's name and workplace location.	We accept the findings and will work with relevant colleagues to identify the data capture required and wider system and process changes that might be needed to be able to capture and analyse the data.	Head of Professionalism and Upstream Regulation	Y	30 September 2025	Met with Data and Insights to better understand each other's work. Reached agreement with them around accessing data and sharing with us, they understand how we work and what data will be essential for us. Will continue with more informal ad-hoc requests by email in interim, and consider this approach next year. FTP Annual Report published.	This approach has been included in our operational planning and is implemented in our workplan. This recommendation is complete.
2 Take a more strategic approach to coverage of professions, geographical areas and groups, informed by FTP and other data, refining the picture as more data sets become available.	We accept the findings and will develop a more targeted and risk-based approach to our prevention work, whilst identifying future data and insight needs	Head of Professionalism and Upstream Regulation	Y	<del>30 June 2025</del> 30 September 2025	We have put the plans into action this year. The team is delivering sessions based on the sources identified. We have flexibility to adapt when new information comes available such as recent FTP report.	This approach has been included in our operational planning and is implemented in our workplan. This recommendation is complete.
3 Develop a strategic resource plan on the basis of the resource needs, with due consideration to coverage (Rec 2) cost realism, likely risks and organisational risk appetite.	We accept the findings and will develop a strategic resource plan.	Head of Professionalism and Upstream Regulation	N/A	<del>30 September 2025</del> TBD, pending new department head, approved by Head of Communications	Head of department recruitment still ongoing. Professional liaison consultant for Scotland recruitment to start soon. Meeting with HR in November to make plan.	The recruitment for the Professional Liaison Consultant for Scotland is ongoing. The head of department has been recruited, and will start in early April.
4 Provide 'hostile audience' training for outreach staff and have an emergency response plan.	We accept the findings. Training will be provided and an emergency plan will be developed.	.	Y	<del>30 September 2025</del> 31 December 2026	We have identified providers and are in contact with organisation to provide training. To be organised in due course.	This training will take place later this year when the team is at full strength and the new liaison for Scotland is in post. The next update will happen in Q3; we will confirm once this training has been completed.

# Item 15

## Internal Audit report – Stakeholder Engagement (first considered at Audit and Risk Assurance Committee 12 March 2025)

### Recommendations summary

Priority	Outstanding recommendations	Status
High	0	Overdue
Medium	2	Open
Low	0	Closed

Recommendation / Priority (RAG)	Management response	Timescale/Responsibility	On track Y/N	Completion Date/Status	Previous Commentary	Current Commentary
<p>1 1.HCPC should:</p> <p>a)Develop a stakeholder plan for the short to medium term for all stakeholder groups.</p> <p>b)Develop documented policies, procedures and guidance for how to manage different stakeholder groups and who manages different groups. Identify and implement best practice from each methodology. (This will help to prevent any risk from key person dependency).</p> <p>c)Develop a stakeholder query log that details queries / comments that have been received, who receipted them, how they were managed (i.e. what team the query was referred to) and any subsequent actions.</p>	<p>We agree that this is required, and further work is scheduled for this financial year and next. However, it should be noted that the production of this documentation will require resource, and this will need to be balanced with current delivery activity.</p>	<p>Head of Communications</p>	<p>Y</p>	<p>01 March 2026</p>	<p>Further work to assess additional resourcing required for this work to be fully completed is currently being undertaken. This assessment is in line with the wider communications strategy plans and will allow further work to be completed on this recommendation.</p>	<p>Final resourcing plans have been implemented and final drafting of policies, procedures and interim logging mechanism is underway. This work will be further supplemented by recruitment to the in-house stakeholder team in February. The logging mechanism will be replaced by the CRM (see update below).</p>
<p>3 3.HCPC should identify how Luther Pendragon can gain access to information on other stakeholder engagement activity undertaken by HCPC on an ad hoc basis. Any 'confidential or sensitive' information could be restricted.</p>	<p>We believe making information relating to our engagement more accessible across the organisation, including with our outsourced supplier would be beneficial. The work to improve information sharing is scheduled for next financial year via the development of a business case for a CRM solution. Any solution will ensure everyone with a role in stakeholder management will have access to the information they require.</p>	<p>Head of Communications</p>	<p>Y</p>	<p><del>01 March 2026</del> 30 September 2026</p>	<p>Recruitment is being undertaken by IT to onboard the required resource to implement foundational aspects of the CRM. The delivery of this recommendation continues to be contingent on the delivery of the foundational aspects of the CRM investment case due to be delivered this year. The deadline for completion may need to be extended.</p>	<p>Supplier selection is being undertaken to secure the relevant resource. The progress on CRM has been delayed due to prioritised activity in relation to the cyber attack in the first half of 2025-26. Concurrently, an investment case is being developed to release funds for CRM architectural review and roadmap which will lead to a build phase. The implementation of this recommendation will progress in line with the supplier onboarding and investment case, and is subject to availability from IT and Business Change.</p>

Internal Audit report – Data Privacy (first considered at Audit and Risk Assurance Committee 11 June 2025)

Recommendations summary

Priority	Outstanding recommendations	Status	
High	0	Overdue	0
Medium	0	Open	0
Low	3	Closed	3

Recommendation / Priority (RAG)	Management response	Timescale/Responsibility	On track Y/N	Completion Date/Status	Previous Commentary	Current Commentary
5 HCPC should separate the privacy notice from the data protection policy and develop: a. A Data Protection Policy which sets out how HCPC complies with the requirements of the UK GDPR. b. HCPC should reformat the existing privacy notice, to reflect a layered approach so that individuals can easily navigate to the section of the privacy notice which is applicable to them.	We accept the findings. a) The Privacy Notice and Data Protection Policy will be separated. The Data Protection Policy will define how HCPC complies with UK GDPR requirements. b) The privacy notice will be reformatted to make it more accessible.	Action Owner: CISRO	Y	<del>30 Sept 2025</del> 31 Dec 2025	Work is underway but incomplete. Additional items have been requested including advice regarding data storage across the organisation. This action should be completed by 31 December.	The Privacy notice and Data Protection Policy have been separated and are available via the public website. This recommendation is complete.
10 HCPC should define the process for assessing the severity of a data breach (using the Information Incident rating tool) and reporting to the ICO and affected individual (if appropriate) in the helpdesk system	We accept the finding. For context, currently, the response to information incidents is the sole responsibility of the Information Governance Team who have been trained and have experience in this area. A process flow exists that flags each potential type of incident and the business lead. The Information Gov Mgr reports breaches to ELT & ARAC annually in a lessons learned section of her annual report. Employees and Partners have been trained to flag incidents to allow us to respond in appropriate time scales reporting issues to informationsecurity@hcpc-uk.org.	Action Owner: CISRO	Y	<del>24 August 2025</del> 30 November 2025	Work is currently dependant on a limited IT resource, involved in the telephony project. As the project will deliver less benefit than anticipated, it is less critical.	There is a process map for information security/data breaches in place, and an existing ISO27001:2022 process.  The Helpdesk solution will take two weeks to complete, which has not been allocated and will not be for the foreseeable future. We will continue to do this process manually. The calculation of risk will remain a manual process as this functionality cannot be added to the HelpDesk. Tests with PowerPages with the Automation Engineer may allow some automation of risk calculation.  The email reporting version of the process will be retained and will continue to be required for non-employees to report breaches. This recommendation is closed.
11 HCPC should implement defined data retention periods and automated deletion process (where possible) across organisation-wide systems to ensure personal data is not retained for longer than required.	Partial accept – a review of retention requirements is due in FY 2025/2026. A technology road map has been defined for most business areas and the requirement will be added to backlogs where required, but this does not guarantee implementation.	Action Owner: CISRO on behalf of system owners	Y	31 March 2026	This work has not been included in the budget, and has therefore been deprioritised. It is not currently feasible to implement this. Most areas will be complex and require more resource and budget.	Automated retention periods has been added to the product management backlog. It will be appropriately managed based on risk and priority. With the current resource and budget restrictions, there is no capacity for further commitment to automation in this area. Therefore, we accept the risk and close this recommendation.

# Item 15

## Internal Audit report – Environmental Sustainability (first considered at Audit and Risk Assurance Committee 11 June 2025)

### Recommendations summary

Priority	Outstanding recommendations	Status	
High	0	Overdue	0
Medium	2	Open	2
Low	0	Closed	0

Recommendation / Priority (RAG)	Management response	Timescale/Responsibility	On track Y/N	Completion Date/Status	Previous Commentary	Current Commentary
1 HCPC should consider using a recognised framework to underpin and direct all HCPC's environmental sustainability work.	HCPC will consider using a recognised framework with along with further advice. The 24 criteria assessment outlined in the executive summary of good practise (point three) aims to capture best practise. Elements of the assessment are derived from frameworks, e.g., SBTi (Science Based Target Initiative) and Social Value TOMs (Themes Outcomes Measures). Expert consultants conducted the assessment and led HCPC in the development of the strategy with knowledge of these and other such frameworks. We plan to recruit an Environment and Quality Manager who will bring further insight and assist with the proposed implementation of an Environmental Management System (EMS) which should provide opportunity to align with relevant frameworks that fits the needs of the organisation. The EMS will be enhanced over an extended period as our plans develop.	Head of Estates, Facilities Management and Sustainability	Y	<del>31 March 2026</del> 31 March 2027	A second round of recruitment for the EHS Specialist role is in progress. The proof of concept for the EMS module within Business Central is planned for Q4. HCPC continues to review environmental reporting against emerging national and international sustainability disclosure frameworks and public sector expectations.	EHS Specialist role remains vacant and will be reviewed with HR. The proof of concept for the EMS module within Business Central is planned for Q3-Q4 2026-27. HCPC continues to review environmental reporting against emerging national and international sustainability disclosure frameworks and public sector expectations, with external support.
2 2. The roadmap should be supported by action plans outlining who is responsible, timelines, and to allow progress tracking.	Action since the strategy's initiation in 2023, including progress and targets, has been shared with ELT, PRC, and the Council, who approved the initial emission reduction targets we are working toward. A progress update covering action to date and those planned was provided to the Council in September 2024. We will continue to provide similar updates as relevant. The recruitment of the Environment and Quality Manager will provide additional resources to assist across a range of areas including the documentation of more detailed actions plans in time.	Head of Estates, Facilities Management and Sustainability	Y	30 September 2026	Further action plans were outlined within the environmental sustainability update to Council in October. Detailed plans are to be developed from the overview shared. Additional resource currently being recruited to further support this work.	Phase 1 of works to achieve operational net zero, aligned with the sustainability targets are scheduled to begin in March.

# Item 15

Internal Audit report – Follow-up Audit (first considered at Audit and Risk Assurance Committee 18 September 2025)

## Recommendations summary

Priority	Outstanding recommendations	Status	
High	2	Overdue	0
Medium	1	Open	3
Low	0	Closed	0

Recommendation / Priority (RAG)	Management response	Timescale/Responsibility	On track Y/N	Completion Date/Status	Previous Commentary	Current Commentary
2 Key Financial Controls- We recommend that HCPC: a) Review the composition of the 116 policies and procedures and consider whether any can be combined (e.g. P2P process) b) Update the Adding New Users to WAP Policy, ensuring it details how changes to individuals' access and approval thresholds are made c) Create a central finance manual and policy tracker. The policy tracker should detail the date of last update (which should align to the date on the document) and detail a responsible individual for ensuring the accuracy and completeness of the policy/procedure. The tracker should detail areas covered within policies and procedures. d) Update the Finance Induction Slides to align to the above changes as well as changes from SAGE to Business Central (BC).	Business Central was implemented 12th April 2024. The WAP aspect of the system is no longer relevant however HCPC will need to ensure that there are clear guidelines on how changes to individuals' access and approval thresholds are made in Business Central. HCPC are still working to fully, review, update and consolidate HCPC's finance policies. Some policies, such as the Credit Card, Investment, Financial Regulations and Expenses policies have been updated and approved by Council; Work is currently underway on updating the Financial Strategy. The team will continue to update the remaining policies and processes and aim to collate them in one Finance Manual once the Financial Strategy is approved.	Financial Controller, Financial Consultant, Head of Finance	Y	<del>31 December 2026</del> 31 March 2026	Following a helpful meeting with Josh from BDO, we now have a clear plan regarding the content and level of detail for the manual.  The finance manual will cover our financial policies as well as all related procedures. At present, we are working on updating our CAPEX policy. We are aiming to complete the finance manual by 31 March 2026.	We are still working on the finance manual and are aiming to complete it, including addressing all the specific areas highlighted by our internal auditors, by the end of February. This will then be submitted to the Head of Finance for review and subsequently shared with our internal auditors by mid-March.
3 Key Financial Controls- HCPC should investigate adding approvals within the finance system (for both SAGE and BC) for each addition or change to bank details, with a change of bank details being put on hold without the approval of the second individual. If it is not possible to require approval within the system, HCPC should look to add electronic signatures to the sign-off of each weeks' audit log, so that individuals checking these additions or changes can be held accountable for any errors not identified.	HCPC are working with a Business Central (BC) consultant to develop a workflow model within the system. It is anticipated that the workflow model once implemented would require bank account amendments to be processed by the Operations team once the relevant approver has received the BC amendment request & approved the amendment on the BC system. The consultant is currently supporting on a number of projects and once the workflow model will be implemented. In the interim, a workaround is in place via a segregation of duties & the regular sign off of the BC audit log (of system changes) by the Financial Controller	Financial Controller, Financial Consultant, Head of Finance	Y	<del>30 September 2026</del> 30 September 2026	This risk is significantly mitigated by segregation of duties and the regular sign off of the BC audit log of system changes by the Financial Controller. Our BC Consultant is continuing to progress the workflow model, which would require bank account amendments to be processed by the operations team. Once they have received appropriate documentation to make this amendment, the relevant approver has received the BC amendment request, then can be approved. Our BC Consultant remains very busy but is working on completing this task by 31 March 2026.	Our systems accountant and BC Consultant have experienced delays due to invoice duplications and payment duplications on our BC system. As a result this task now has to be pushed back to 30 September 2026. In the interim, we have emailed the Finance Team confirming that any new vendor setup, change of vendor name, or amendment to bank details must be submitted to the financial controller by email for review and approval prior to processing and for the approval email to be attached to BC as part of the supporting documents on BC.
4 Partners- HCPC should: On a regular basis, assess whether upgrades can be made to its business systems to allow an automated transfer of payment data from the CRM system to the WAP system, which would remove the need for manual Excel spreadsheets as a delivery mechanism.	An email was disseminated by the Financial Controller for managing FTP partner payments to officers including those in the Finance and Partners team. The email detailed step by step guidance on cancelling payments, evidence required when hearings end early, duplicate payments and further checks to be completed. We saw evidence that the FTP team attach a copy of the cancellation email as evidence of a cancellation. The email is subsequently checked by the Finance team to ensure the cancellation payment is per the Cancellation policy which depends on when the cancellation email was sent. A new payroll system – due to go live on 1 October 2025, is being implemented for partners. During the second phase of the project (October 2025 – April 2026), IT will be looking at further automation of payroll with a potential to move from data upload to assignments reports (= timesheets).	Partner Project Lead	Y	01 April 2026	The new payroll system is live and the first Partner payments will go out on 25 November 2025. A specific cancellation payment code has been set up for FTP which clearly indicates payments for fully cancelled hearings. Phase 2 of the implementation will look into options to automate and connect systems internally, and consider the implementation of timesheets for Partners to complete.	Phase 2 of the project is underway and an option paper will go to ELT in Q1 2026-27.

# Item 15

## Internal Audit report – FTP Declarations (first considered at Audit and Risk Assurance Committee 18 September 2025)

### Recommendations summary

Priority	Outstanding recommendations
High	0
Medium	1
Low	3

Status	Count
Overdue	0
Open	1
Closed	3

Recommendation / Priority (RAG)	Management response	Timescale/Responsibility	On track Y/N	Completion Date/Status	Previous Commentary	Current Commentary
1 Ensure that the QA Workplan is directly informed by the Risk Assessment Framework with clear documentation showing that QA areas are prioritised based on inherent risk, not just the risk level (high, medium, low). Where specific areas are not prioritised, there should be a clear and detailed commentary stating the reasons why. The QA Work Plan, including outcome reports from the QA review on the performance of the FIP process, should be reviewed and approved by the ELT and evidence of this should be retained within meeting minutes.	This process is completed yearly to develop the annual QA workplan. Currently the areas/processes considered for inclusion is based on risk, department input, outcomes of past audits, length of time since last audit. Due to the volume of processes in the regulatory areas, it has not been deemed proportionate to review every area when prioritising activities for the workplan. However, in order to balance risk and resource capabilities we agree to complete a full assessment of regulatory processes every three years, with more targeted assessments completed in between. All workplans are currently approved by ELT.	Head of Assurance and Compliance	Y	31 March 2026	Work planning for next year will begin at the end of Q3.	All regulatory areas have been assessed and given a risk priority number based on previous outcomes, severity of potential risk, likelihood of potential risk, and what assurance is currently in place. Following this exercise, processes were prioritised as part of the workplan for 2026-27. This was done in conjunction with the heads of department and all members of QA team. The workplan was agreed with the Executive Director of Corporate Affairs. This workplan was presented to ELT/SLT on 25 February. This recommendation is complete.
3 HCPC should investigate steps to improve the efficiency and effectiveness of information flow between the Registration and Declarations Teams, for example: <ul style="list-style-type: none"> <li>Develop a live document tracker or shared dashboard (for example, using readily available tools in SharePoint) that is limited to the Registration team and Declarations. This will ensure that all referred cases are completed and resolved consistently, progress is recorded and monitored effectively, and key personnel are assigned responsibilities as per their role.</li> <li>Alternatively, in the long-run, Management could consider moving toward a single case management system that supports two tailored user profiles (one for Registration, one for FIP/Declarations). This would enable both teams to operate within the same environment while maintaining role-specific access and functionality, security, improving transparency, collaboration, and efficiency.</li> </ul>	With no examples of significant delays or omissions, we don't think there is anything wrong with sharing information or making referrals by emails per se. It may be more efficient to have a single CMS across both areas, but this is surely a nice to have rather than an essential process that needs to be put in place to assure the integrity of the process. This recommendation does not speak to any risk identified here. However, we will investigate how to improve the efficiency and effectiveness of information flow between Registration and FTP in line with the organisation's Digital Roadmap.	Head of Assurance and Compliance	Y	<del>31 December 2025</del> 31 March 2026	The report and recommendation have been referred to the digital transformation programme board. This has only had its initiation meeting to date and requested that when this rec has been considered by the board, an update is provided to ARAC.	Discussion held with project management, automation, and FTP to review this recommendation. We agreed that these areas are gaps in our system and could have improvements. However, we also identified that we're unlikely to implement any of these in the short or medium term owing to current priorities and resource. A risk has been added to the risk log, and an Epic has been added to the backlog assigned to both reg and FTP to ensure it's not forgotten. These will be periodically reviewed to explore if there are improvements that can be made in this area based on priorities of the time. This will be considered as a larger piece of work in the tech roadmap. This recommendation is closed.
4 HCPC should update the existing FIP Policies and Guidance to require management to perform a structured lessons learned exercise for the declarations appeals process, including the appeals process where necessary and this should be aligned to the current HCPC lessons learned processes.	We will consider what this will look like once the listing and hearing of registration appeals are fully embedded into the HCPTS as will need to think about whether it sits within our current DRG process or whether we need to design a different process which will be resource dependant.	Head of Adjudication Performance	Y	31 March 2026	The HCPTS took over the listing and hearings of Registration Appeals in October. The HCPTS will look to train the Registration appeals team on the purpose of Decision Review Group (DRG). In particular, the remit of the group and how to make any internal referrals following any concerns with a panel decision. The DRG can consider taking the following action after consideration of a panel decisions: direct feedback to panels, updating or creating any guidance, and helps inform any themes used in refresher training. We are developing a new HCPTS practice note for registration appeals and aiming for this to go live early in the new year.	The Registration appeals team will be trained on DRG in February and any referrals received will start being considered by the group from April onwards. The HCPTS practice note on registration appeals went live on 29 January.
5 HCPC should explore the introduction of an automation process within its case management system to streamline the handling of declaration cases. This should include: <ul style="list-style-type: none"> <li>Design and implementation of automated checks to identify and auto-approve straightforward, low-risk declaration cases based on predefined criteria.</li> <li>Escalation of only complex or unclear cases for manual triage and review by the Registration or Declarations teams, as appropriate.</li> <li>System testing and validation prior to launch to ensure automation criteria are accurate, robust, and aligned with HCPC standards.</li> </ul>	While this type of automation would be nice to have it is not something we can commit to. However, we will add this to the appropriate backlog to be explored and managed through that process.	Head of Assurance and Compliance	Y	31 December 2025	Due to risk priority, this recommendation could not be considered as part of the last prioritisation meeting. We will request that this is prioritised at the next meeting in December.	Discussion held with project management, automation, and FTP to review this recommendation. We agreed that these areas are gaps in our system and could have improvements. However, we also identified that we're unlikely to implement any of these in the short or medium term owing to current priorities and resource. A risk has been added to the risk log, and an Epic has been added to the backlog assigned to both reg and FTP to ensure it's not forgotten. These will be periodically reviewed to explore if there are improvements that can be made in this area based on priorities of the time. This will be considered as a larger piece of work in the tech roadmap. This recommendation is closed.

# Item 15

## Internal Audit report – Health and Safety (first considered at Audit and Risk Assurance Committee 20 November 2025)

### Recommendations summary

Priority	Outstanding recommendations	Status	
High	0	Overdue	0
Medium	3	Open	3
Low	2	Closed	2

Recommendation / Priority (RAG)	Management response	Timescale/Responsibility	On track	Completion Date/Status	Current Commentary
			Y/N		
1 During the mandatory training completion window, ensure there is senior management comms on training completion rates and importance of completion on a regular basis.	We will ensure there are appropriate senior communications around training completion rates and the importance of completing the training, during the training window of February to April.	Environmental Health and Safety Manager	Y	28 February 2026	Discussion with senior management has taken place and communication has been included, aligning with the communication strategy for the training rollout. This recommendation is completed.
2 The Framework should be updated so that: • There is a clear section which sets out what elements of the Corporate Strategy it supports and how. • The Framework ends in 2026, or as part of the next framework produced, align this to the Corporate Strategy end date. • Objective owners are clearly defined.	As part of taking the framework through the final approvals, we will make clear the link to the relevant corporate strategy objective and ensure objective owners are clearly defined. We will align the end date of the next strategy to the corporate plan at that time, to allow this framework to embed sufficiently.	Environmental Health and Safety Manager	Y	31 March 2026	The framework has been updated, incorporating the recommendations. It was presented to ELT and approved in December. The framework is now available to all employees via Intranet and will be reviewed on-going as part of the compliance calendar schedule. This recommendation is completed.
3 Continue to develop the communication plan for the framework, but ensure this includes communication from a member of senior management.	We will finish development of the communications plan, noting to include senior management involvement and begin communications following approval of the framework.	Environmental Health and Safety Manager	Y	31 December 2026	EHS is working closely with Communications team to develop and implement the Communication plan, which will involve executive and senior management.
4 Update both the risk assessment and action tracker with specific individuals to allow for targeted follow up as soon as possible.	Now we have the meetings in place to discuss actions, we will be adding the relevant individuals to actions and the rationale where the timeframe does not align to the risk based timeframes	Environmental Health and Safety Manager	Y	31 December 2026	The Action Planner and Risk Assessment continue to be updated as part of Business As Usual (BAU).
5 Document the rationale for the extended timelines on the action tracker as soon as possible.	Now we have the meetings in place to discuss actions, we will be adding the relevant individuals to actions and the rationale where the timeframe does not align to the risk based timeframes	Environmental Health and Safety Manager	Y	31 December 2026	Action Tracker (Microsoft 365 platform) is designed to include any rationale for extending the allocated time to complete an action. Presently, no extensions are required.