

Audit and Risk Assurance Committee

Meeting Date	10 June 2026
Title	Audit and Risk Assurance Committee annual report to the Council and the Accounting Officer 2025-26
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Executive Sponsor	Claire Amor, Executive Director of Corporate Affairs
Executive Summary	
<p>The HCPC provides an Audit and Risk Assurance Committee annual report to the Council and the Accounting Officer as part of the governance statement within the Annual Report and Accounts. The draft ARAC annual report to the Council and the Accounting Officer 2025-26 is attached for the Committee's approval. This follows the same format as adopted in previous years and includes:</p> <ul style="list-style-type: none"> • the composition of the Committee and the number of meetings held; • the purpose and scope of the Committee, as set out in the Committee's standing orders; and • a summary of matters considered by the Committee during the reporting year. 	
Action required	The Committee is asked to consider and approve the proposal or recommendation.
Previous consideration	The previous annual report was submitted to the Committee for approval in June 2024.
Next steps	Following approval, the report will be incorporated into the final draft of the HCPC Annual Report and Accounts 2025-26. An initial draft of the full report will be circulated to the Committee in the summer for review. The final draft of the HCPC Annual Report and Accounts 2025-26 will be submitted to the Committee and the Council in September.
Financial and resource implications	None
Associated strategic priority/priorities	Build a resilient, healthy, capable and sustainable organisation

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Associated strategic risk(s)	None
Risk appetite	None
Communication and engagement	Not applicable
Equality, diversity and inclusion (EDI) impact and Welsh language standards	Not applicable
Other impact assessments	Not applicable
Reason for consideration in the private session of the meeting (if applicable)	Not applicable

Audit and Risk Assurance Committee annual report to the Council and the Accounting Officer

The Audit and Risk Assurance Committee is made up of three members appointed by and from the Council and one independent member. The Chair and the independent member of the Committee both have recent, significant and relevant financial experience. The Committee met four times in 2025–26 in line with the Committee’s standing orders. Attendance at these meetings is detailed in the table on pages [XX-XX] of this report.

Members of the ELT, other employees, the internal auditors and the external auditors attend Audit and Risk Assurance Committee meetings by invitation.

The Audit and Risk Assurance Committee provides assurance on the HCPC’s processes and procedures to the Council and the Accounting Officer by:

- advising the Council and the Accounting Officer on the appointment of the internal and external auditors and reviewing their work;
- reviewing the external auditors’ management letters and any other relevant reports;
- reviewing the HCPC’s Annual report and accounts and making recommendations to the Council as appropriate;
- monitoring the ELT’s internal control and risk management processes and making recommendations to the Council as appropriate;
- making recommendations to the Council on the appropriateness of the HCPC’s accounting policies, anti-fraud policies and whistleblowing processes; and
- reviewing the internal auditors’ programme, receiving reports on their work and considering appropriate actions arising from those reports.

Internal Audit

Internal audit emphasis is focused on providing assurance on the integrity of our internal control, governance and risk management processes while also providing forward-looking and value-adding advice to the ELT where possible. The internal auditors undertake an approved programme of audits, reporting to the Committee on the effectiveness of controls and making recommendations where appropriate. BDO LLP were appointed as the HCPC’s internal auditors from the 2022–23 financial year for three financial years. The appointment was subsequently extended for one year, with RSM LLP taking over as the new internal auditors from 2026-27. During 2025–26, the Committee considered the following internal audit reports:

Internal audit focus 2025–26



Each year the internal auditors undertake a review of the implementation of recommendations made. For 2025–26, thirteen internal audit recommendations across seven audit areas were tested for implementation. The internal auditors found that eleven (85%) were fully implemented, with one in progress and one outstanding, all of which were classified as medium priority. The outstanding recommendations relate to the absence of a formal spot-check process within procurement and the lack of a formal reporting schedule and disciplinary measures for mandatory training compliance. Overall, the results demonstrate strong progress in implementing recommendations, though some further work is required to achieve full closure.

During 2025–26, other matters considered by the Committee included the following:

Annual Report and Accounts 2024–25	External auditor and National Audit Office (NAO) reports	Information governance annual report 2024–25	Annual feedback and complaints report 2024–25
Strategic risk register	Operational risk Register annual review	Internal and external auditor performance	Review of Speaking up (whistleblowing) policy and Anti-bribery and fraud policies
Unified assurance report and unified assurance framework annual summary	External audit planning reports	Internal auditor appointment	Review of accounting policies and significant judgments and estimations
Strategic risk deep dives: freedom to speak up, strategic risk register and corporate strategy risks	Risk appetite review	Internal audit recommendation tracker and annual plan 2024–25	ISO 27001 certification

In 2025-26 the Committee also held a workshop on cyber security and digital transformation risks. A series of case studies were presented to the Committee to highlight the potential impact of, and risks associated with, cybersecurity attacks. The Committee also considered an overview of typical digital strategy and transformation risks, transformation glide paths and typical risk mitigation gaps in audit findings.