
Internal Audit report – Follow up of recommendations

Executive Summary

As part of the 2021-22 Internal Audit Plan as approved by the Committee, BDO LLP have undertaken a review of recommendations and their completed status.

The implementation of internal audit recommendations is an important part of an organisation's internal control framework. This review is a follow-up of BDO's internal audit recommendations and agreed actions reported to Council as having been implemented by Management during 2021/22. There were a total of 30 Priority 1 or Priority 2 recommendations across 10 different internal audit reports reported as implemented during the year which we conducted an independent follow-up.

Previous consideration	None.
Decision	The Committee is invited to discuss the report.
Next steps	Recommended actions agreed with the Executive will be tracked for progress in the Committee's standing recommendation tracker report.
Strategic priority	All
Risk	All
Financial and resource implications	The cost of the audit is included in the Internal Audit annual fee.
Author	BDO LLP



HEALTH AND CARE PROFESSIONS COUNCIL INTERNAL AUDIT REPORT - FINAL REPORT

FOLLOW UP
MAY 2022



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1 Executive Summary

Introduction and review objectives

- 1.1 This audit was completed in accordance with the approved annual Internal Audit plan for 2021/22. The implementation of internal audit recommendations is an important part of an organisation’s internal control framework. This review is a follow-up of BDO’s internal audit recommendations and agreed actions reported to Council as having been implemented by Management during 2021/22. There were a total of 30 Priority 1 or Priority 2 recommendations across 10 different internal audit reports reported as implemented during the year which we conducted an independent follow-up of.
- 1.2 We held interviews with staff and reviewed key documentation in order to validate the implementation of the recommendations.
- 1.3 The Internal audit reports from which the recommendations being followed-up on are drawn are:
 - Registrations End-to-end (20/21)
 - Intelligence Gathering (20/21)
 - PSA and Internal Reporting (20/21)
 - Reshaping the Organisation (20/21)
 - IT Controls (20/21)
 - Business Continuity Planning (20/21)
 - Payroll (20/21)
 - Financial Modelling (20/21)
 - Risk Management (21/22)

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.

- 1.4 Overall, we consider that generally good progress has been made in implementing the recommendations and agreed actions outlined in the original audit reports. However, there are three areas where recommendations have been reported as implemented, but our assessment is that some further work is required to consider the original recommendation fully addressed.
- 1.5 The first recommendation related to the practise and continued practice (CPD) analysis as part of the Insight and Intelligence Framework approved by the Council in September 2021 being delayed due to staff sickness. Management should establish a plan to further develop the CPD analysis for this recommendation to be fully implemented. The other two recommendations both related to the registration behaviours, key financial inputs and inflationary assumptions discussed at the Registrant Forecasting Working Group. The latest meeting occurred on 10 May 2022, the result of this discussion will be summarized for ELT with a report by the Chief Information Security & Risk Officer (CISRO) by the end of June 2022. Once the report is presented to the ELT, this recommendation should be considered fully implemented.

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Audit	Fully Implemented	In Progress
Registrations End-to-end (20/21)	2	
Intelligence Gathering (20/21)	12	1
PSA and Internal Reporting (20/21)	1	
Reshaping the Organisation (20/21)	2	
IT Controls (20/21)	2	
Business Continuity Planning (20/21)	1	
Payroll (20/21)	3	
Financial Modelling (20/21)	3	2
Risk Management (21/22)	1	
Total	27	3

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

2 Prior audit recommendations - Implementation Status

Recommendation	Priority	Original Management response, responsible officer and implementation date	BDO's assessment of implementation during this audit
Registrations End-to-end (20/21)			
1. Key Risk Area 1: Initial registration - UK and overseas Where steps in the registration process involve manual entry of data, or are processed entirely by one HCPC colleague, consideration should be had to strengthening or segregating checking controls to reduce the possibility of errors before an applicant is added to the register.	Priority 2	Management Response: We will review the registration process as part of the improvement work to develop the online capability for registration applications to the Register. Responsible Officer: Richard Houghton (Head of Registration) Date for Implementation: 1 July 2021	Implemented - Since the beginning of 2021, a process was introduced whereby a second person quality checks UK applications before registering, and this was managed daily through email communication. We reviewed the latest email chain where the Registration Manager assigned the outstanding applications for quality checks with respective deadlines.
2. Key Risk Area 3: Temporary and permanent removal from the register by HCPC e.g. arising from interim orders & the outcome of Fitness to Practice (FtP) hearings. HCPC should take steps to limit / manage potential overreliance on the use of spreadsheets as part of the temporary or permanent removal of registrants from the Register. Steps taken could include: – Exploring the feasibility of embedding some of the processes within CRM Dynamics and its electronic workflows – Ensure detailed checking of information is regularly carried out of any changes made to spreadsheets – Password protect or limit access to areas of spreadsheets where information is not expected to regularly change	Priority 2	Management Response: The process and controls for temporary or permanent removal of registrants from the Register will be reviewed. Responsible Officer: Laura Coffey (Head of FtP)/ Richard Houghton (Head of Registration) Date for Implementation: 1 May 2021	Implemented - HCPC has adopted a new FtP Case Management System that went live on 7 June 2021. The system is based on workflows for all stages of the FtP process to facilitate automation of the process.
Intelligence Gathering (20/21)			
3. Key Risk Area 1: Strategy and Governance 1.1 Strategic direction and organisational design Ownership for individual datasets and the	Priority 1	Management Response: Individual dataset ownership and related roles & responsibilities will be defined as part of the	Implemented - The Council approved the Insight and Intelligence Framework in September 2021. We reviewed the approved Insight and Intelligence Framework document, and it is evident that the

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Recommendation	Priority	Original Management response, responsible officer and implementation date	BDO's assessment of implementation during this audit
precise roles and responsibilities for the insights and intelligence staff and front line staff needs to be made clear. This includes the responsibility for the accuracy of data		creation of a data governance framework. Responsible Officer: Claire Amor (Head of Governance) Date for Implementation: Q2/Q3 2021	individual ownership for Registration Data, Fitness to Practice Data, Education Data and Ad-hoc data was defined under "Where we are now" section. We obtained the meeting minutes for the September 2021 meeting to review the evidence of approval.
4. Key Risk Area 1: Strategy and Governance 1.1 Strategic direction and organisational design There needs to be clear ownership of the insight and intelligence end-to-end process, including at SMT level (with the new executive director role having clear authority) and a Council lead.	Priority 1	Management Response: The new Executive Director for Professional Practice and Insight will take ownership of insight and intelligence when they take up the role. In the meantime, the Insight & Intelligence Manager is developing a framework which will be presented to SMT and Council. Responsible Officer: Naomi Nicholson (Executive Director of Professional Practice & Insight) Date for Implementation: Q2/Q3 2021	Implemented - The new Head of Insight and Intelligence was appointed and took up the post on 1 November 2021. In addition, the Council approved the Insight and Intelligence Framework in September 2021. We reviewed the approved Insight and Intelligence Framework document and obtained the meeting minutes for the September 2021 meeting to review the evidence of approval. A subsequent Programme for Data Excellence has been developed and approved by the ELT in January 2022 and we reviewed the final paper of the Programme for Data Excellence.
5. Key Risk Area 1: Strategy and Governance 1.2 Data strategy - data platform approach The use of the data for intelligence purposes should be structured and agreed. They should be targeted to answer 'questions' that are most pertinent to HCPC's strategic aims and most significant risks and issues.	Priority 1	Management Response: The delivery approach for the data platform and subsequent reporting and analytics needs will be driven by needs that align to HCPC strategic aims including those of the Insight and Intelligence Team, how HCPC control this will be defined as part of the project and ongoing data governance frameworks. Responsible Officer: Geoff Kirk (Head of IT & Digital Transformation) / Naomi Nicholson (Executive Director of Professional Practice & Insight) Date for Implementation: End of Q4 2021	Implemented - The Council approved the Insight and Intelligence Framework in September 2021. We reviewed the approved Insight and Intelligence Framework document, and it is evident that the strategic alignment to HCPC's strategic aims, significant risks and issues are indicated in the Strategic Priority section. We obtained the meeting minutes for the September 2021 meeting to review the evidence of approval.
6. Key Risk Area 1: Strategy and Governance 1.2 Data strategy - data platform approach Decisions need to be made formally on what data analysis work is done using the front-line systems such as registration & FtP and that drawn from the new data platform.	Priority 2	Management Response: The initial priorities for the insight & intelligence function have been identified and are based on risk. These include analysis of EDI, FtP and CPD, all of which align to the strategic aims in the new Corporate Strategy.	In Progress - The initial priorities for the Insight and Intelligence function have been defined in the Insight and Intelligence Framework approved in September 2021. We reviewed the approved Insight and Intelligence Framework document and the meeting minutes for the September 2021 Council meeting that showed the evidence of approval.

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Some data may be available 'self-service' and other will need analysis work.		<p>Responsible Officer: Geoff Kirk (Head of IT & Digital Transformation) / Naomi Nicholson (Executive Director of Professional Practice & Insight)</p> <p>Date for Implementation: End of Q4 2021</p> <p>Updated Management Response as at May 2021: Council approved the Insight and Intelligence framework in September 2021. This set out programme for insight and analytics function and sets out the work programme for next 2 years including the key questions to focus on through analysis, which are most pertinent to the HCPC's strategic aims, significant risks and issues. This work programme will be kept under review, refined and developed iteratively over time to ensure our analytics work remains aligned to key strategic priorities. The Digital Transformation function will build any supporting delivery around the priority use cases identified in the Framework. It is envisaged that technical delivery of the data platform will be prioritised to support strategic priorities. This technical infrastructure development, including development of a data platform, is subject to budget availability. CPD analysis has been delayed due to long term staff sickness.</p>	<p>A Council seminar was held on 7 April 2022 to receive and discuss analysis of FtP and EDI data to date. We reviewed the presentation pack for this seminar.</p> <p>We reviewed the data analysis document in relation to FtP and EDI presented to the Council Seminar on 7 April 2022. This is in line with the initial management response in relation to analysis of EDI and FtP.</p> <p>However, Management should establish a plan to develop the CPD analysis for this recommendation to be fully implemented, in addition to the analysis about EDI and FtP data.</p>
<p>7. Key Risk Area 2: Data gathering and assimilation - range of coverage</p> <p>2.1 Approach to data gathering</p> <p>Part of the consideration about what questions to ask of the intelligence system and what it should be focussed on, need also to consider the cost of compliance, in terms of the cost and inconvenience to the registrants in requiring more data fields. Registrants are likely to question the added value of further data requests. HCPC will be subject to GDPR if they require data outside of their 'statutory' responsibilities too.</p>	Priority 2	<p>Management Response: Will be addressed as part of the project and ongoing data governance framework.</p> <p>Responsible Officer: Gareth Davies (Head of Insight and Analytics)</p> <p>Date for Implementation: Q2/Q3 2021</p>	<p>Implemented - EDI data is currently being gathered as through the Core system.</p> <p>We reviewed the approved Insight and Intelligence Framework document and the meeting minutes for the September 2021 Council meeting to review the evidence of approval. We reviewed the EDI Completion Forecasts report and the latest EDI completion report developed on a weekly basis.</p>
<p>8. Key Risk Area 2: Data gathering and assimilation - range of coverage</p> <p>2.1 Approach to data gathering</p>	Priority 1	<p>Management Response: Will be addressed as part of the project and ongoing data governance framework.</p>	<p>Implemented - The initial priorities for the Insight and Intelligence function have been defined in the Insight and Intelligence Framework approved in</p>

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Both opportunities to capture both hard and soft data must be incorporated into the intelligence and insights model and a key consideration in the design of all systems used to capture, store and analyse data and draw insights and intelligence from that.		Responsible Officer: Gareth Davies (Head of Insight and Analytics) Date for Implementation: Q3/Q4 2021	September 2021. We reviewed the meeting minutes for the September 2021 Council meeting to review the evidence of approval. It is evident from our review of the approved Insight and Intelligence Framework document that it sets out how HCPC will capture intelligence and insights, including both quantitative and qualitative analysis. Insight and Analytics team now key partners in system design/upgrade plans as indicated in the Framework.
9. Key Risk Area 2: Data gathering and assimilation - range of coverage 2.2 Data sets captured HCPC need to implement a comprehensive CRM system to capture soft and hard data used in the process of stakeholder engagement, media & social media analysis and outreach, for the purposes of day-today stakeholder engagement and for the capturing of data for insight and intelligence purposes.	Priority 1	Management Response: Initial scoping work has commenced, although is currently limited to the consolidation of excel data sheets. The intention is move to a CRM using Dynamix. The new ED for Professional Practice & Insight will need to work with the digital transformation team to implement a comprehensive CRM system. Responsible Officer: Naomi Nicholson (Executive Director of Professional Practice & Insight) Date for Implementation: TBC	Implemented - Stakeholder mapping and an engagement approach has been agreed and this is recorded in the OneNote Intelligence system, rather than a standalone CRM system due to budget reason. On a monthly basis relevant information is presented to ELT at the Strategy and Planning meetings. We reviewed the screenshots of the OneNote page to ensure that it has been actively updated monthly. In addition, the key HCPC stakeholders such as professional bodies are assigned with relationship managers at HCPC. We reviewed the Professional Body Relationship Approach document approved by the ELT in October 2021, which is rolled out for implementation from January 2022. We also reviewed the training material circulated to relationship managers and calendar invitation for the training session in January 2022 to verify that relevant training was facilitated by HCPC for the assigned relationship managers. It is evident that the relevant guidance was also provided in the Teams group.
10. Key Risk Area 2: Data gathering and assimilation - range of coverage 2.3 Engagement with other bodies Outreach and other external contact work needs to have clear ownership and data	Priority 2	Management Response: Outreach and other external contact work needs to have clear ownership and data capture standards and processes so that its data, intelligence and insights capture is readily assimilated, complete and accurate.	Implemented - Stakeholder mapping and an engagement approach has been agreed and this is recorded in the OneNote Intelligence system. On a monthly basis relevant information is presented to ELT at the Strategy and Planning meetings and we

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capture standards and processes so that its data, intelligence and insights capture is readily assimilated, complete and accurate.		Responsible Officer: Naomi Nicholson (Executive Director of Professional Practice & Insight) Date for Implementation: Q4 2021	reviewed the regular meeting invitation for February, March and April 2022. We reviewed the screenshots of the OneNote page to ensure that it has been actively updated monthly. The key HCPC stakeholders such as professional bodies are assigned with relationship managers at HCPC. We reviewed the training slides to ensure that the guidance on how to record data in relation to engagement record has been included in the training session in January 2022 and the guidance circulated to the assigned relationship managers.
11. Key Risk Area 2: Data gathering and assimilation - range of coverage 2.3 Engagement with other bodies We encourage the further development of data sharing between regulators and other institutions at an aggregate level.	Priority 2	Management Response: We encourage the further development of data sharing between regulators and other institutions at an aggregate level. Responsible Officer: Claire Amor (Head of Governance) Date for Implementation: Q4 2021	Implemented - HCPC responded to the Department of Health Social Care's consultation document, "Regulating healthcare professionals, protecting the public" in June 2021. The response document is published on HCPC website. In the response document, it was noted that "HCPC agrees with and welcomes the majority of the proposals in the consultation, and is seeking clarification or modification of certain points, including in relation to detailed aspects of FtP and Registration."
12. Key Risk Area 3: Storage and analysis 3.2 Information security & governance Ensure there is a regular check in with data governance experts so the design of the data platform and associated systems and processes are fully compliant with data governance and user access requirements. These should be assessed and set as the project progresses and address the risk of identifying registrants through the disaggregation of data when it is analysed	Priority 1	Management Response: Will be defined as part of the ongoing data governance framework. Responsible Officer: Claire Amor (Head of Governance) Date for Implementation: Q4 2021	Implemented - The data platform is not within the corporate plan for 2021-22. HCPC has decided that due to cost reason, a large-scale upfront investment in a data platform is not likely to happen in the near future. However, a review is currently underway working with a third party to look at the current Power BI deployment, and also to establish the best methodology for developing the data platform in an incremental manner that reduces the need for large scale upfront investment. This review will feed in to the planned Digital Transformation Strategy refresh later in the year with the intention of securing ELT and Council support for developing the data platform

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<p>13. Key Risk Area 3: Storage and analysis 3.3 Culture and skills to maximise benefits of the platform HCPC need to ensure that it upskills the whole organisation and changes the culture so that data and intelligence is embedded in the 'the way the organisation does things'..</p>	Priority 1	<p>Management Response: Will be addressed as part of the project implementation and operating model. Responsible Officer: Claire Amor (Head of Governance) Date for Implementation: Q4 2021</p>	<p>incrementally based on agreed organisational data priorities.</p> <p>Implemented - The data platform is not within the Corporate Plan for 2021-22. HCPC has decided that due to cost reason, a large-scale upfront investment in a data platform is not likely to happen in the near future. However, a review is currently underway working with a third party to look at the current PowerBI deployment, and also to establish the best methodology for developing the data platform in an incremental manner that reduces the need for large scale upfront investment. This review will feed in to the planned Digital Transformation Strategy refresh later in the year with the intention of securing ELT and Council support for developing the data platform incrementally based on agreed organisational data priorities.</p>
<p>14. Key Risk Area 4: Reporting and Delivering Regulatory Responses to Intelligence 4.2 Vision for future reporting As part of building the insights and intelligence capability, consideration is needed on the reporting requirements - what (and why), when, to whom, how often. A prioritisation process needs to be formulated based on MoSCoW1 principles, referenced to HCPC's strategy and risks.</p>	Priority 1	<p>Management Response: Will be defined as part of the project and ongoing data governance framework. Responsible Officer: Naomi Nicholson (Executive Director of Professional Practice & Insight) Date for Implementation: Q4 2021</p>	<p>Implemented - Reporting to the ELT in relation to insights and intelligence will occur through the monthly Strategy and Planning meetings. OneNote system is utilised to ensure the escalation of key points and relevant insights are articulated for the ELT reporting. This is a self-service solution that will allow access to live information and insights to relevant staff. We reviewed the screenshot of the OneNote page for February, March and April 2022 to ensure that the key points are effectively recorded for escalation on a monthly basis.</p>
<p>15. Key Risk Area 4: Reporting and Delivering Regulatory Responses to Intelligence 4.3 Escalation and regulatory impact In a similar way to governance and ownership of data and the role of the intelligence and insights system, there needs to be clear authority and governance on the information</p>	Priority 1	<p>Management Response: Will be defined as part of the project and ongoing data governance framework. Responsible Officer: Naomi Nicholson (Executive Director of Professional Practice & Insight) Date for Implementation: Q4 2021</p>	<p>Implemented - Reporting to the ELT in relation to insights and intelligence will occur through the monthly Strategy and Planning meetings. OneNote system is utilised to ensure the escalation of key points and relevant insights are articulated for the ELT reporting. This is a self-service solution that will allow access to live information and insights to</p>

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<p>sharing, reporting and the coordination and tracking of regulatory responses to insights and intelligence:</p> <ul style="list-style-type: none"> a. A forum for the initial assessment of intelligence b. Escalation protocols for the escalation of intelligence to more a more senior level c. A senior cross-HCPC group is for prioritising actions and making decisions on the best regulatory interventions and have the authority to instruct others in HCPC to build the intervention required. d. A mechanism to track delivery of the intervention and measure its success. 			<p>relevant staff. We reviewed the screenshot of the OneNote page for February, March and April 2022 to ensure that the key points are effectively recorded for escalation on a monthly basis.</p> <p>a & d. The Insights and Intelligence Framework was approved in September 2021 and we reviewed the meeting minutes showing the evidence of the Council's approval in the September 2021 Council meeting. A Registrant Forecasting Working Group has been established, which meet on the second Tuesday of every month. We reviewed the recurring meeting invitation and its agenda.</p> <p>b & c. Reporting to the ELT in relation to insights and intelligence will occur through the monthly Strategy and Planning meetings. OneNote system is utilised to ensure the escalation of key points and relevant insights are articulated for the ELT reporting. This is a self-service solution that will allow access to live information and insights to relevant staff. We reviewed the screenshot of the OneNote page for February, March and April 2022 to ensure that the key points are effectively recorded for escalation on a monthly basis.</p>

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PSA and Internal Reporting (20/21)			
<p>16. Key Risk Area 1: KPIs and effective oversight of HCPC's performance.</p> <p>In order to support HCPC's development of the corporate strategy and performance reporting, HCPC should conduct a standalone workshop event with both members of Council and SMT, similar to the one held in January 2018, to decide upon a the format and framework of performance reporting.</p> <p>In doing so HCPC should gather examples of performance reporting approaches from other healthcare regulators and compare different approaches to decide on what works best for its needs.</p> <p>When setting out a performance framework HCPC should focus on clearly linking defined and measurable metrics, with targets, corporate objectives and regulatory requirements. In this way there will be a clear golden thread linking the strategic requirement with the KPI demonstrating whether that strategic requirement is being met.</p>	<p>Priority 2</p>	<p>Management Response: The HCPC will seek to schedule a session with Council and SMT in the new financial year on performance and KPI requirements to support the new Corporate Strategy.</p> <p>Additionally the HCPC will establish a Finance and Resources Committee in early 2021 and this group will lead on performance against metrics oversight and will input into future reporting requirements.</p> <p>Responsible Officer: May 2021</p> <p>Date for Implementation: Claire Amor (Head of Governance)</p>	<p>Implemented - New suite of KPIs were approved by the Council in May 2021. The Council took part in a workshop to discuss future KPI needs in April 2021. This feedback had been incorporated into the new approved KPIs. We reviewed the approved KPI document, and it was evident that these KPIs had been aligned under the most relevant strategy aim.</p> <p>We obtained the May 2021 Council meeting minutes to review the evidence of approval.</p> <p>People and Resources Committee was established in December 2020 and meet four times each year. We reviewed its Terms of Reference and latest two meeting minutes for November 2021 and February 2022 meetings.</p>
Reshaping the Organisation (20/21)			

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17.	<p>Key Risk Area 1: The forward plan and how it will be achieved is sufficiently marked out</p> <p>HCPC should continue to formalise its corporate strategy, with a vision that extends beyond 2021, at the same time as implementing shorter transformational changes.</p> <p>In designing the longer-term strategy, HCPC should take steps to mitigate the risk that short term tactical decision making drives the strategic focus of the organisation. This can be achieved by regular reviews of the transformation work referenced against the development of the new strategy. Also, when the strategy is presented to Council, a cross-reference to the transformation work to show how they dovetail or where adaptations are required.</p>	Priority 2	<p>Management Response: The Corporate Strategy is being crystallised in collaboration with stakeholders and there is now a reference point against which to reference the transformation activities to ensure they are consistent with the longer term vision. The Digital Transformation Strategy is being developed alongside the Corporate Strategy to mitigate against divergence. The developing Corporate Strategy includes high level success factors. Following approval this will be supported by an annual Corporate Plan and associated departmental plans which will provide more granular detail around milestones and performance metrics.</p> <p>Responsible Officer: Claire Amor (Head of Governance)</p> <p>Date for Implementation: Q3/Q4 2021</p>	<p>Implemented - We reviewed the latest HCPC Corporate Plan for 2021/22 published on 1 April. A schedule of corporate plan deliverables, milestones and benefit measures was presented to Council as part of the CEO report to enable monitoring of deliverables and realisation of expected benefits. We reviewed the meeting minutes of the Council meeting in April 2021. A detailed directorate workplan has been developed and reviewed by SMT.</p> <p>In the approved Corporate Plan, under the commitment of "Promoting the value of regulation", there is reference to the transformation activities to ensure that they are consistent with the longer-term commitment.</p>

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<p>18. Key Risk Area 2: Anticipating the major risks and opportunities and stakeholder consultation</p> <p>HCPC should consider conducting additional employee engagement activities to help embed and measure cultural change. While existing changes have been predominantly focussed on changing processes, HCPC should also ensure there is sufficient focus on cultural change and changes to staff wellbeing.</p>	Priority 2	<p>Management Response: Since the audit fieldwork was completed further employee surveys and engagement activities have taken place in relation to Covid-19 working, establishing a new normal post Covid and the development of the Corporate Strategy. Employee wellbeing has been supported through initiatives during Covid-19. A continued focus on well-being and shifting the culture of the organisation is reflected in the Corporate Strategy and will be further developed in the next Corporate Plan. Organisational resilience and development continues to be a priority focus with progress being monitored by the SMT fortnightly.</p> <p>Responsible Officer: Fatma Ali (Head of Human Resources)</p> <p>Date for Implementation: Q4 2021</p>	<p>Implemented - The EDI Employee Group has been established whose purpose is to promote, champion and encourage diversity, inclusion and equality in the workplace and will monitor and provide scrutiny against the key areas of performance set out in the Strategy and Action Plans and make recommendations to SMT as necessary. We reviewed the Terms of Reference for the Group.</p> <p>The latest workshop, "Becoming a Compassionate Regulator" took place on 9 December 2021 and we reviewed the agenda for the Workshop circulated to the EDI Employee Group members.</p> <p>A Commitment Chart outlining behaviours expected of all employees for each competency at each level has been included in the HCPC Health and Wellbeing Framework, in accordance with the HCPC Values and Behavioural Standards Framework. We reviewed the HCPC Health and Wellbeing & Values and Behavioural Standards Framework documents.</p>
IT Controls (20/21)			
<p>19. Key Risk Area 4: The service desk is organised as the primary point of contact for monitoring and owning incidents, addressing user requests and questions, and providing a communications channel between IT service functions and the business users.</p> <p>For the key IT services desk processes, HCPC should develop formal procedures. Procedures streamline the internal process, but also ensure compliance, give guidelines for decision making and provide the roadmap for day-to-day operations.</p>	Priority 2	<p>Management Response: This is work that is already identified and will be implemented as part of the service desk improvement.</p> <p>Responsible Officer: Geoff Kirk (Head of IT & Digital Transformation)</p> <p>Date for Implementation: March 2021</p>	<p>Implemented - The new Service Desk system went live in June 2021. Key process mapping documents are in place. We reviewed the process mapping for the key processes including change management and incident management process. User guidance was developed and circulated to HCPC staff in advance of the roll-out and we reviewed the user guidance on how to log a ticket on the Service Desk.</p> <p>HCPC plans to carry out a further review as part of the Service Desk enhancement project in late 2022 to explore further self-service options.</p>

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<p>20. Key Risk Area 4: The service desk is organised as the primary point of contact for monitoring and owning incidents, addressing user requests and questions, and providing a communications channel between IT service functions and the business users.</p> <p>HCPC should develop a Service Portfolio to manage the entire lifecycle of all services, and include three categories: Service Pipeline (proposed or in development); Service Catalogue (Live or available for deployment); and retired services. In the development of the Service Catalogue, business unit managers and other decision makers should work with both end users and stakeholders to determine the level of require IT services. Categorisation of the services should be undertaken together with access permissions, restricting access to specific services.</p> <p>We recommend that for each identified IT service within the Service Catalogue, the following attributes should be recorded:</p> <ul style="list-style-type: none"> - Name of the service - Description of each individual service - Service category (i.e. Infrastructure, Software, Hardware, Video, Support, etc.) - Supported and related services - Service Level Agreement - Who can request the service - Service owner - Costs associated with the service - Delivery expectations - Security Requirements 	<p>Priority 2</p>	<p>Management Response: This is work that is already identified and will be implemented as part of the service desk improvement.</p> <p>Responsible Officer: Geoff Kirk (Head of IT & Digital Transformation)</p> <p>Date for Implementation: March 2021</p>	<p>Implemented - IT Service Catalogue is developed and embedded within the new IT Service Desk. We reviewed the new IT Service Catalogue and it is evident that key information about each service is listed out under the 41 items in the IT Service Catalogue.</p>

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Business Continuity Planning (20/21)			
<p>21. The Chief Information Security and Risk Officer should document staff training (in the use of the Shadow Planner App).</p> <p>June 2021 - BDO's assessment of implementation during this audit: Standalone generic BCM / DR training is still being developed ahead of being provided to SMT, Business system owners and Heads of department.</p>	Priority 2	<p>Original Management Response: Shadow Planner users are already trained on its use as the app is delivered to their device. Annual testing includes a training element. Standalone generic BCM/DR training is being developed for SMT & Business system owners and Heads of department.</p> <p>Updated Management Response as at June 2021: Testing of the paper-based training will occur with a new SMT member that has no experience of Shadow Planner in June, and if successful the updated material will be rolled out to all users.</p> <p>Responsible Officer: Roy Dunn, CISRO Date for Implementation: 31 March 2020</p>	<p>Implemented - Since the beginning of 2020, HCPC has arranged across department events using the Shadow Planner app. This has been tracked down on the user access logs. We reviewed the user access history of the new SMT members, Executive Director of Resources & Business Performance and Executive Director of Regulation. We also reviewed their email communication in relation to the successful results of the DR/BCM test.</p> <p>We reviewed the email circulated to staff in relation to how to gain access to the Shadow Planner app by the CISRO in April 2022.</p>
Payroll (20/21)			
<p>22. Key Risk Area 5: Exception reporting, internal checking and supervisory controls</p> <p>HCPC should strengthen the controls where Heads of Department review monthly pay reports for their areas. Heads of Department should be required to positively confirm that there are no factors outside of the Core HR system that could influence monthly payroll (eg voluntary extension of maternity leave), rather than confirm on an exceptions basis. Any changes should be approved and updated in the Payroll Manual.</p>	Priority 2	<p>Management Response: Email template to review departmental check reports has been amended and issue has been discussed with HoSs. A further follow up email is required to ensure that all HoSs understand the requirements fully. Deputies will need to be nominated and a full schedule released.</p> <p>Responsible Officer: Uta Pollmann (Head of Partners & HR Operations) Date for Implementation: 12 June 2021</p>	<p>Implemented - HR has emailed the HoSs to advise that they would need to check the report and confirm back to HR that all entries are correct each month.</p> <p>We reviewed the email confirmation from the Department of Finance for a sample of two months, February and March 2022, to ensure the confirmation emails were sent by the Head of Finance.</p>

Internal Audit Report - Follow up

Recommendation	Priority	Original Management response, responsible officer and implementation date	BDO's assessment of implementation during this audit
<p>23. Key Risk Area 5: Exception reporting, internal checking and supervisory controls HCPC should ensure Core Bureau authorise additionally the Director of Corporate Services and Financial Consult to the PT-X payment platform, and update the BACS authorised trustee list accordingly.</p>	Priority 2	<p>Management Response: Since the audit, Core Bureau has changed its system and no longer uses PT-X. They now send across an authorisation form and we compare the totals for PG100, PG200 and P30 with the totals provided by Finance. Core Bureau conducts all other checks for us. The Director of Corporate Services and the Interim Head of Finance have now been added to the BACS authorised trustee list.</p> <p>Responsible Officer: Uta Pollmann (Head of Partners & HR Operations)</p> <p>Date for Implementation: Completed</p>	<p>Implemented - We reviewed the latest BACS authorised trustee list to ensure that the Director of Corporate Services and the Interim Head of Finance have now been added to the BACS authorised trustee list.</p> <p>HR to complete reconciliation between the totals provided by Core Bureau and Finance for PG100 and PG200. We reviewed the evidence of this reconciliation for February and March 2022.</p>
<p>24. Key Risk Area 6: Unauthorised accessibility to Core HR data HCPC should contact Core Bureau to check the feasibility of reviewing the user access rights within the system and seek to understand whether audit reports to allow full oversight of access rights, and also change reports showing users with differing access levels within the Core HR system, can be developed. Regular reviews of access privileges, and changes to access privileges, should be undertaken to ensure that access rights remain appropriate for HR staff members 'roles. In the event that system generated checks are not possible, a suitable manual workaround (such as manual checking of user privileges) should be introduced to ensure that user access to HR and payroll information is appropriately restricted.</p>	Priority 2	<p>Management Response: We have contacted Core Bureau to explore the options we have to facilitate the above recommendation.</p> <p>Responsible Officer: Uta Pollmann (Head of Partners & HR Operations)</p> <p>Date for Implementation: 12 June 2021</p>	<p>Implemented - Currently the HR & MI Officer is the superuser at HCPC to update the trustee list regularly if required and the HR access rights for leavers will be removed once they leave HCPC.</p> <p>Even though Core Bureau does not provide the functionality to facilitate system generated checks, a manual workaround has been implemented where the access rights are being checked by the superuser on a monthly basis, which is reviewed by the Head of HR. We reviewed a sample of the monthly user schedule spreadsheets for January and February 2022.</p>

Internal Audit Report - Follow up

Recommendation	Priority	Original Management response, responsible officer and implementation date	BDO's assessment of implementation during this audit
Financial Modelling (20/21)			
<p>25. Key Risk Area 4: Income assumptions are reasonable and supported by detailed workings and independent approvals. Registration behaviours for different professions should be reviewed annually with reference to supporting evidence and set for each specific profession rather than a generalised approach for all professions.</p>	Priority 2	<p>Management Response: A working group has been established to review the assumptions and processes for registrant number assumptions. This group would also have responsibility for the annual review of the planning assumptions so as to improve forecasting accuracy.</p> <p>The planning assumptions will be submitted to ELT for approval, with a particular focus on the 'leaf of faith' assumptions such as fee increase.</p> <p>Responsible Officer: Roy Dunn, CISRO</p> <p>Date for Implementation: Completed</p> <p>Updated Management Response as at May 2021: Due to the fact that the relevant working group discussion occurred on 10 May 2022, this will be summarized for ELT with a report before the end of June by the CISRO. A review by BDO is expected to evaluate the FAST model mechanics, comment on whether the use of such a model is appropriate and update the model if required.</p>	<p>In Progress - The Registrant forecast working group meets on a monthly basis. It includes the Head of Registration, Head of Education, Head of Financial Planning & Analysis, Head of Insight & Analytics, Communications & Digital Lead, CISRO.</p> <p>The group is informal and seeks input from other bodies around international recruitment plans, or any changes to UK graduate output in registrable professions. It occurs every second Tuesday of every month. We reviewed the recurring meeting invitation and agenda.</p> <p>The latest working group meeting occurred on 12 May 2022, we were advised that the group reviewed the final registrant numbers of the financial year and checked back to assumptions and how variation occurred. Due to the fact that there was not formal meeting minutes for the working group, we reviewed the record of meeting attendance and the internal meeting notes taken down by the CISRO.</p> <p>Once the report is presented to the ELT, this recommendation should be considered fully implemented.</p>
<p>26. Key Risk Area 4: Income assumptions are reasonable and supported by detailed workings and independent approvals. As part of each annual update to the Income Model, whenever source information is relied upon, this source information should be retained to support any future analysis or modification to the model's assumptions to produce more accurate outputs.</p>	Priority 2	<p>Management Response: See above.</p> <p>Responsible Officer: Margaret Osibowale (Project Finance Lead)</p> <p>Date for Implementation: Completed</p>	<p>Implemented - Source information has been requested and retained by the Project Finance Lead. We reviewed the latest email communication between the Project Finance Lead and the CISRO to verify that the source information was requested.</p>

Internal Audit Report - Follow up

Recommendation	Priority	Original Management response, responsible officer and implementation date	BDO's assessment of implementation during this audit
<p>27. Key Risk Area 4: Income assumptions are reasonable and supported by detailed workings and independent approvals Key financial inputs and inflationary assumptions should be subjected to an annual review and approval process by HCPC's EMT in advance of the model being updated.</p>	Priority 2	<p>Management Response: See above. Responsible Officer: Margaret Osibowale (Project Finance Lead) Date for Implementation: Completed Updated Management Response as at May 2021: Due to the fact that the relevant working group discussion occurred on 10 May 2022, this will be summarized for ELT with a report before the end of June by the CISRO. A review by BDO is expected to evaluate the FAST model mechanics, comment on whether the use of such a model is appropriate and update the model if required.</p>	<p>In Progress - The Registrant forecast working group meets on monthly basis. It includes the Head of Registration, Head of Education, Head of Financial Planning & Analysis, Head of Insight & Analytics, Communications & Digital Lead, CISRO. The group is informal and seeks input from other bodies around international recruitment plans, or any changes to UK graduate output in registrable professions. It occurs every second Tuesday of every month. We reviewed the recurring meeting invitation and agenda. The latest working group meeting occurred on 12 May 2022, we were advised that the group reviewed the final registrant numbers of the financial year and checked back to assumptions and how variation occurred. Due to the fact that there was not formal meeting minutes for the working group, we reviewed the record of meeting attendance and the internal meeting notes taken down by the CISRO. Once the report is presented to, and approved by the ELT, this recommendation should be considered fully implemented.</p>
<p>28. Key Risk Area 5: Inflationary assumptions are appropriate and represent a fair estimate of increases and decreases to key variables The assumptions which drive changes to registrant numbers should be carefully reviewed as the Income Model, after six months (October 2020 to April 2021) already shows material differences between projected and actual registrant numbers.</p>	Priority 1	<p>Management Response: A working group has been established to review the assumptions and processes for registrant number assumptions. Responsible Officer: Roy Dunn, CISRO Date for Implementation: Completed</p>	<p>Implemented - The Registrant forecast working group meets on monthly basis. It includes the Head of Registration, Head of Education, Head of Financial Planning & Analysis, Head of Insight & Analytics, Communications & Digital Lead, CISRO. The group is informal and seeks input from other bodies around international recruitment plans, or any changes to UK graduate output in registrable professions. It occurs every second Tuesday of every month. We reviewed the recurring meeting invitation and agenda. The latest working group meeting occurred on 12 May 2022, we were advised that the group reviewed the final registrant numbers of the</p>

Internal Audit Report - Follow up

Recommendation	Priority	Original Management response, responsible officer and implementation date	BDO's assessment of implementation during this audit
			financial year and checked back to assumptions and how variation occurred. Due to the fact that there was not formal meeting minutes for the working group, we reviewed the record of meeting attendance and the internal meeting notes taken down by the CISRO.
<p>29. Key Risk Area 8: Model assumptions reflecting analysis of actual performance HCPC should conduct an annual exercise to compare the initial projections of a Costs Model (once created) and the Income Model with final year actual performance. A detailed variance analysis should be undertaken of each variable (e.g. registrant numbers or costs inflation) with a view to understanding whether the model's projections were within a reasonable tolerance for variance, or the variance was sufficiently large to indicate whether projections were inaccurate from the outset.</p>	<p>Priority 1</p>	<p>Management Response: For the Income Model, a working group has been established to review the assumptions and processes for registrant number assumptions. It would be expected that any cost model development should have the ability to iteratively improve its accuracy through lessons learned and variance analysis.</p> <p>Responsible Officer: Margaret Osibowale (Project Finance Lead)</p> <p>Date for Implementation: Completed</p>	<p>Implemented - During the May 2022 Registration Forecasting Working Group meeting, we were told that this was discussed on 10th May 2022, where the March 2022 actual data was compared to the projection. However, due to the fact that the working group is informal, there was no meeting minutes to document that this was discussed. We reviewed the meeting invitation and agenda for the May 2022 meeting, where the Head of Registration, Head of Education, Head of Financial Planning & Analysis, Head of Insight & Analytics, Communications & Digital Lead, CISRO attended the meeting.</p> <p>The latest working group meeting occurred on 12 May 2022, we were advised that the group reviewed the final registrant numbers of the financial year and checked back to assumptions and how variation occurred.</p>

Internal Audit Report - Follow up

Recommendation	Priority	Original Management response, responsible officer and implementation date	BDO's assessment of implementation during this audit
Risk Management (21/22)			
<p>30. Key Risk Area 1: Risk framework design 1.2 Consistent risk management integration across the business</p> <p>ARAC should conduct deep dives on operational risks grouped by the strategy area or strategic risk on a cycle. This would give Council comfort that the operational risk management process and the management of risks. The responsible director would attend the relevant deep dive, with a role for the Quality Assurance team providing assurance around mitigations.</p>	<p>Priority 2</p>	<p>Management Response: Accepted in principle though it is for ARAC to agree they wish to take this approach. Operational risk will be presented to ARAC in September to frame discussion on ARACs ongoing engagement with operational risk for agreement.</p> <p>Responsible Officer: Claire Amor (Head of Governance)</p> <p>Date for Implementation: Discussion to be held in September 2021. Next meeting in November 2021 would determine if action is closed or not.</p>	<p>Implemented - The Operational Risk Management process was presented to the ARAC in September 2021. We reviewed the September 2021 ARAC meeting minutes to ensure that all operational risks had been mapped to the strategic risks they sit under.</p> <p>We noted that in the meeting minutes, the Committee agreed to receive the full Operational Risk Register annually with a commentary on changes or trends through the year of review. When reviewing the Strategic Risk Register at each meeting, the Committee agreed that it would be helpful for any major issues regarding operational risks to be drawn to their attention. In the deep dives into specific strategic risks, the Committee asked the ELT owner to bring to their attention associated operational risks of significance too.</p> <p>ARAC's first review on the Operational Risk Register is due in September 2022.</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
Doyin Adeleye	Finance Controls Manager
Fatma Ali	Head of Human Resources (HR)
Claire Amor	Head of Governance
Laura Coffey	Head of Fitness to Practice (FTP)
Roy Dunn	Chief Information Security & Risk Officer (CISRO)
Richard Houghton	Head of Registration
Alan Keshtmand	Head of Finance
Geoff Kirk	Head of IT & Digital Transformation
Naomi Nicholson	Executive Director of Professional Practice and Insight
Margaret Osibowale	Project Finance Lead
Uta Pollmann	Partner Project Lead
Ewan Shears	Governance Officer

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

FOR MORE INFORMATION:

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