# Audit and Risk Assurance Committee

# 14 June 2023

## NAO – External Audit Planning Report 2022-23

### Executive Summary

The NAO plan their audit of the financial statements to respond to the risks of material misstatement and material irregularity. This report sets out how the NAO have built their assessment of risk, what they base materiality on, those risks they expect to be significant and how they will respond to those risks.

The report also sets out the details of the team carrying out the audit, the expected timing of the audit and their fees.

| | |
|---|---|
| Previous consideration | None. |
| Decision | The Committee is invited to discuss the report |
| Next steps | The timetable for the audit is included in the paper |
| Strategic priority | Strategic priority 3: Ensure the organisation is fit for the future and able to anticipate and adapt to changes in the external environment |
| Financial and resource implications | The annual cost of the NAO external audit is currently estimated at £10,000 (ex VAT) |
| EDI impact | No direct implications. |
| Author | National Audit Office |

# Health and Care Professions Council

# Audit planning report on the 2022-23 financial statements audit

Report to those charged with governance

14th June 2023

# This report presents details of our proposed approach for the audit of the 2022-23 financial statements

We plan our audit of the financial statements to respond to the risks of material misstatement and material irregularity. This report sets out how we have built our assessment of risk, what we base materiality on, those risks we expect to be significant and how we will respond to those risks. We also set out in this report details of the team carrying out the audit, the expected timing of the audit and our fees.

## Actions for the Audit and Risk Assurance Committee

We would like to alert members of the Audit and Risk Assurance Committee to changes in our risk assessment procedures (in line with revised ISA 315 – further details on page 6), and are invited to discuss:

- Whether our assessment of the risks of material misstatement to the financial statements is complete (including any matters those charged with governance consider warrant particular attention during the audit, and any areas where they request additional procedures to be undertaken);
- Whether management's response to these risks are adequate;
- Our proposed audit plan to address these risks; and
- Whether the financial statements could be materially misstated due to fraud, and communicate any areas of concern to management and the audit team.

We would also like to invite the committee to consider our fraud risk assessment on page 14.

**Gareth Roberts**
**Engagement Director**

We would also like to take this opportunity to enquire of those charged with governance about the following areas:

- Other matters those charged with governance consider may influence the audit of the financial statements;
- The entity's objectives and strategies, and the related business risks that may result in material misstatements;
- Possibility, knowledge of and process for identifying and responding to the risks of fraud;
- Oversight of the effectiveness of internal control;
- Whether any non-compliance with any laws or regulations (including regularity) have been reported to those charged with governance (e.g. from staff, service organisations or other sources);
- Policies, procedures and systems for recording non-compliance with laws, regulations and internal policies; and
- Whether members have knowledge of any actual, suspected or alleged fraud affecting the entity.

# Contents

# Overview

## Audit Risks (pages 7 to 15)

We plan our audit of the financial statements to respond to the risks of material misstatement to transactions and balances and irregular transactions.

We have identified the following risks which have the most significant impact on our audit:

**SR1 - Presumed risk of management override of controls**

**SR2 - Risk of fraud in revenue recognition**

**SR3 - Valuation of land & buildings**

**SR4 – Implementation of IFRS 16**

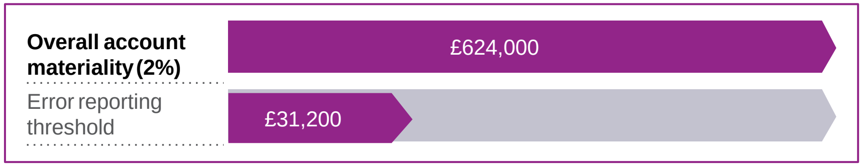
We have identified the following areas of audit focus:

**AF1 – Completeness of creditors**

**AF1 – Completeness of staff costs**

## Materiality (page 16)

- When setting materiality, we consider both qualitative and quantitative aspects that would reasonably influence the decisions of users of the financial statements.
- In line with Haysmacintyre's approach, and with generally accepted practice, we will set our quantative materiality threshold as approximately 2% of 2021-22 income giving a planning materiality of £624,000 (2021-22: £610,000 based on 2% of fee income). We will report to the Audit and Risk Assurance Committee all audit differences in excess of 5% of materiality, as well as differences below that threshold that warrant reporting on qualitative grounds.




## Audit team, fee and timetable

- Gareth Roberts will be responsible for the overall audit. The full engagement team is presented on page 21.
- Our audit fee for 2022-23 is £10,000 (our final fee for 2021-22 being £9,500). The fee increase reflects inflation and the additional regulatory requirements on the audit profession through the introduction of ISA 315 (revised). More detail can be found on page 18.
- As discussed and agreed with management, we are planning to complete the audit in autumn 2023.

# Reliance on the work of Haysmacintyre



Under legislation, the Health and Care Professions Council is required to appoint its own auditors, who are qualified under the Companies Act 2006. Haysmacintyre are the appointed auditors for 2022-23. The legislation also requires the C&AG to certify and report to Parliament on the financial statements.

We have worked with Haysmacintyre to put in place arrangements to agree that the NAO can review the results of their audit work on the 2022-23 accounts. We aim to take assurance from their work to the maximum extent possible, where we consider it meets our requirements in forming an opinion on the accounts. We will supplement this by performing audit work ourselves where our risk assessment and audit methodology require it. In particular, we will perform additional audit procedures to obtain assurance to support our regularity opinion on the financial statements. See Appendix 2 for further details of our responsibilities in relation to the audit of regularity.

Should any further work be necessary to meet our requirements, we will discuss this with management in advance.

Our review will follow the guidance in International Standards on Auditing (UK). We will apply the principles of International Standard on Auditing (UK) 600 - Special considerations: audits of group financial statements (including the work of component auditors) as it relates to component auditors when evaluating the sufficiency and appropriateness of the audit evidence obtained by Haysmacintyre. Under ISA 600, if we are not able to obtain sufficient documentation to retain on our files, we are required to perform this work ourselves. Should this occur, we will need to revisit our audit fee as this will impact the timing and cost of our work. If this is the case, we will discuss this with you in advance.

We also perform a review of the annual report and financial statements and, in particular, we will consider:

- disclosures relating to areas we have identified as significant risks
- the appropriateness of accounting policies selected by management. In particular, we will consider the Health and Care Professions Council's compliance with the Accounts Determination issued by the Privy Council, which directs that when preparing the account, the Health and Care Professions Council 'takes into consideration the accounting principles and disclosure requirements of the Government Financial Reporting Manual (FReM)' and that the Accounting Officer 'take into consideration the principles set out in Chapter 3 of "Managing Public Money", which sets out the responsibilities and principles of Accounting Officers, and wider MPM guidance'. We will do this by reviewing the Health and Care Professions Council's consideration of its accounting policies, especially those which diverge from the FReM and which have a material effect on the financial statements, and
- the contents of the governance statement.

We have discussed with Haysmacintyre the significant risks of material misstatement in the financial statements and their proposed audit approach to them.

# Changes to how we assess risk

ISA (UK) 315 (Revised) is effective for audits of financial statements for periods beginning on or after 15 December 2021 – for most audited entities this will be the financial statements for 2022-23.

The new approach places risks of material misstatement on the 'Spectrum of Risk' as either a significant, medium, low or no risk. Based on this placement, different combinations of assurance (inherent, controls, and substantive) are used to address the risk.

The definition of 'significant risk' has changed. A 'significant risk' is now defined as:
"*an identified risk of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum due to the degree to which inherent risk factors affect the combination of the likelihood of a misstatement occurring and the magnitude of the potential misstatement should that misstatement occur; or that is to be treated as a significant risk in accordance with the requirements of other ISAs (UK)*".
Many of the significant risks previously reported are likely to continue to remain under this new definition.
The spectrum of risk means that we consider risk across an audit engagement in a more nuanced way and our corresponding response may be more focused.

**Key changes to ISA (UK) 315 (Revised) are:**

- It has been modernised to meet evolving business needs, including the use of automated audit tools and techniques and the use of IT in financial reporting
- There is a greater focus on entity business processes, generating more valuable insights for audited entities.
- It allows for audit response to be driven by risk, leading to a more targeted audit and providing more opportunities to take controls assurance, as well as focusing on the more relevant audit assertions.
- It drives consistent and effective identification and assessment of risk of material misstatement, ensuring a complete and high quality risk assessment

## Spectrum of Risk

| Financial Statement Impact | Likelihood: Low | Likelihood: Medium | Likelihood: High |
|---|---|---|---|
| High | Significant or Medium Risk | Significant Risk | Significant Risk |
| Medium | Low Risk | Medium Risk | Significant Risk |
| Low | No Risk | Low Risk | Significant or Medium Risk |

# Changes to our assessment of risk since 2021-22

| Risks and areas of focus diminishing or superseded since 2021-22 | Risks and areas of audit focus identified in 2021-22 that remain relevant for 2022-2023: Risks that are broadly consistent with last year | Risks and areas of audit focus identified in 2021-22 that remain relevant for 2022-2023: Risks that have evolved and developed since last year | New risks and areas of focus for 2022-23 |
|---|---|---|---|
| **Significant Risks** | **Significant Risks** | **Significant Risks** | **Significant Risks** |
| Going Concern | SR1 – Presumed risk of management override of controls<br>SR2 – Risk of fraud in revenue recognition<br>SR3 – Valuation of Land & Buildings | | SR4 – Implementation of IFRS 16 |
| **Areas of Audit Focus** | **Areas of Audit Focus** | **Areas of Audit Focus** | **Areas of Audit Focus** |
| | AF1 – Completeness of creditors<br>AF2 – Completeness of staff costs | | |

# Building our assessment of risk

We are well placed to develop an understanding of the risks to the Health and Care Professions Council drawing on your own assessment, the historic assessment of risk and the broader context

### The Health and Care Professions Council assessment of risk

The Health and Care Professions Council strategic risk register sets out a number of risks. We have engaged with management to understand the background to these risks, movement in impact and likelihood and have considered how these inform our assessment of audit risks.

1. HCPC regulatory performance does not meet the expectations of stakeholders and as a result stakeholders have negative experiences of regulation

2. HCPC regulatory expectations are not appropriate or not understood by registrants and other stakeholders

3. HCPC are unable to harness the benefits of the wealth of data held

4. HCPC do not understand stakeholders needs and so are unable to be as effective a regulator as can be

5. The resources HCPC require to achieve their strategy are not in place or are not sustainable

6. HCPC is unable to realise the benefits of regulatory reform, or these benefits are significantly delayed

### Our audit Risk Assessment

The 2021-22 audit highlighted a number of areas of audit risk and focus, we have built on this historical assessment to consider whether these remain risks for the year. We have made inquiries of management (and other appropriate individuals within the entity), performed analytical procedures, and carried out observations and inspections to inform our assessment of risk.

- Presumed risk of management override of controls
- Going Concern
- Risk of fraud in revenue recognition, and risk in classification of income
- Valuation of Land & Buildings

### Wider Factors

We have drawn upon our wider assurance work and our understanding of the broader environment in which the Health and Care Professions Council operates to inform our risk assessment.

- Ukraine Conflict
- Regulatory Reform
- Implementation of IFRS 16

# Significant risks and areas of focus



The table shows how the key business process and operational risks identified by the Health and Care Professions Council may impact on the Annual Report and Accounts and give rise to significant risks and areas of focus for our audit.
These are areas where we will perform additional audit work as outlined in the following pages and report our findings to you.

| Health and Care Professions Council assessment of risk | | Health and Care Profession risks per Strategic Risk Register | | | | | |
|---|---|---|---|---|---|---|---|
| Our assessment of audit risk and areas of focus | | 1. HCPC regulatory performance does not meet the expectations of stakeholders and as a result stakeholders have negative experiences of regulation | 2. HCPC regulatory expectations are not appropriate or not understood by registrants and other stakeholders | 3. HCPC are unable to harness the benefits of the wealth of data held | 4. HCPC do not understand stakeholders needs and so are unable to be as effective a regulator as can be | 5. The resources HCPC require to achieve their strategy are not in place or are not sustainable | 6. HCPC is unable to realise the benefits of regulatory reform, or these benefits are significantly delayed |
| Significant risks | SR1 - Presumed risk of management override of controls | ● | ● | ● | ● | ● | ● |
| | SR2 - Risk of fraud in revenue recognition | ● | | | | ● | |
| | SR3 - Valuation of land & buildings | | | | | ● | |
| | SR4 - Implementation of IFRS 16 | | | | | ● | |
| Other areas of focus | AF1 - Completeness of creditors | | | | | ● | |
| | AF2 - Completeness of staff costs | | | | | ● | |

# Our response to the significant risks*

## SR1: Presumed risk of management override of controls

### Why we have identified this as a risk

Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by using its position to override controls that otherwise appear to be operating effectively.

This is a presumed risk for all audited bodies under International Standards on Auditing (ISA 240) (UK). This risk was also reported in our 2021-22 audit.

### Work we plan to undertake in response

Controls:

Review of controls relevant to the audit including those over:

- Manual accounting journals;
- Segregation of duties;
- Year-end controls such as preparation of financial statements which includes review by senior management and the Audit and Risk Assurance Committee.
- Monthly management accounts;
- Changes in accounting policies, in particular those around significant estimates.

Substantive:

- Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments.
- Using data analytic tools, we will risk appraise and visualise the impact of manual journals on the financial statements to identify higher risk journal transactions for detailed audit examination.
- We will examine significant or unusual transactions and review errors collectively for patterns in adjustments.
- Apply professional scepticism to the audit of key estimates and judgements and perform a retrospective review of significant estimates used in the prior year.
- Consider the need to test other adjustments throughout the period.

We expect to be able to rely upon the work performed by Haysmacintyre in response to this risk.

*The auditor shall identify and assess the risks of material misstatement at:

(a) the financial statement level;

(a) the assertion level for classes of transactions, account balances, and disclosures

to provide a basis for designing and performing further audit procedures.

Risks of material misstatement at the financial statement level refer to risks that relate pervasively to the financial statements as a whole and potentially affect many assertions.

# Our response to the significant risks

## SR2: Presumed risk of fraud in revenue recognition

### Why we have identified this as a risk

Under International Standard on Auditing (UK) 240, there is a presumed significant risk that management may commit fraud to achieve a particular result within income. Income is a significant figure in Health and Care Professions Council's accounts, and we consider that this presumed risk cannot be rebutted. This risk was also reported in our 2021-22 audit.

### Work we plan to undertake in response

Controls:

- Assess the design and implementation of the controls operating in respect of the Health and Care Professions Council's income streams.

Substantive:

- Perform testing around the year end, including post year end receipts and unpaid invoices testing, to confirm whether revenue has been recognised in the correct financial year (cut off) and whether the underlying activity had occurred in the year (completeness); and
- Reconcile the registration database and the finance system, as well as undertaking a sense check of membership income based on membership numbers.

We expect to be able to rely upon the work performed by Haysmacintyre in response to this risk.

# Our response to the significant risks

## SR3: Valuation of Land & Buildings

### Why we have identified this as a risk

Valuation of land and buildings is subject to high estimation uncertainty, and the Health and Care Professions Council employ an expert valuer to provide a valuation of its freehold property. In 2020-21 and year prior, the valuation was subject to a material uncertainty disclaimer, which resulted in an emphasis of matter paragraph in both the Haysmacintyre and NAO certificates. This material uncertainty was not present in 2021-22, and the emphasis of matter paragraph was not included. We consider that this risk is present due to the estimation uncertainty that warrants Health and Care Professions Council appointing an expert valuer.

### Work we plan to undertake in response

Controls:

- Assess the design and implementation of the controls operating in respect of the Health and Care Professions Council's valuation of land and buildings.

Substantive:

- Review the third-party valuation of the Health and Care Professions Council's freehold property; and
- Review supporting disclosures made within the financial statements.

We expect to be able to rely upon the work performed by Haysmacintyre in response to this risk.

We will also review alternative evidence of valuation trends in order to assess the reasonableness of any valuation movement.

# Our response to the significant risks

## SR4: Implementation of IFRS 16

### Why we have identified this as a risk

Following deferral by HM Treasury, IFRS 16 Leases is being applied by HM Treasury in the FReM from 1 April 2022 and will become effective for the Heath and Care Professions Council from this date.

There are bespoke, material accounting judgements which need to be considered when implementing IFRS 16. These include, but are not limited to, determining the term of leases (including break clauses and whether these will be used and whether the term is indefinite, rolling or evergreen), the low value threshold being applied, how dilapidations should be treated and whether cost is a valid proxy for valuation when measuring right of use assets. This is particularly key to address early as a valuation may need to be commissioned if cost is not a suitable proxy for valuing right of use assets.

The impact of IFRS 16 is expected to be material in respect of financial reporting, budgeting, planning and fiscal implications for the Health and Care Professions Council. As set out in the 2021-22 financial statements, this would result in the recognition of a right of use asset value at approximately £0.7m as at 1st April 2022. We have therefore included this as a new significant risk area for the 2022-23 audit.

### Work we plan to undertake in response

Controls:

- Assess the design and implementation of the controls operating in respect of the Health and Care Professions Council's valuation of leases under IFRS 16.

Substantive:

They key procedures to address the risk will include:

- Review management's process for identifying and reviewing all leases and ensuring completeness;
- Review the discount rate and assumptions used; and
- Review the disclosures in the accounts to ensure they comply with the standard.

We expect to be able to rely upon the work performed by Haysmacintyre in response to this risk.

# Our initial assessment of the risk of fraud (ISA 240)



We shall communicate, unless prohibited by law or regulation, with those charged with governance any other matters related to fraud that are, in our auditor's judgment, relevant to their responsibilities. Under ISA (UK) 240, it is our responsibility as auditors to report to those charged with governance:

- Any risks of material misstatement identified due to fraud
- Any matters we think are relevant to those charged with governance regarding management's process for identifying and responding to the risks of fraud at the Health and Care Professions Council.

Below, we have summarised our initial assessment of the risk of fraud relevant to the Health and Care Professions Council and how this may impact on the financial statements.

## Risk of material misstatement due to fraud

In our initial assessment, we have not identified additional risk of fraud other than the standard presumed risk of management override of controls and the risk of fraud in revenue recognition. We have not identified particular characteristics of management or control at the Health and Care Professions Council that indicate this risk is elevated.

We will consider the results of Haysmacintyre's work across the audit as part of our continuous risk assessment. We expect Haysmacintyre to bring any findings in relation to fraud to our attention during the course of their work.

## Fraud risk factors relevant to the Health and Care Professions Council

We have not identified any specific fraud risk factors for the Health and Care Professions Council, other than the standard risks relevant to management override of controls as set out on page 10.

## Matters regarding management processes for identifying and responding to the risks of fraud

In our initial assessment, based on our knowledge from our previous audits and our risk based planning, we have not identified any specific matters regarding management processes for identifying and responding to the risks of fraud that we need to report. We expect to be able to rely upon the work performed by Haysmacintyre in response to this risk.

# Other matters



The following are other matters which we wish to bring to the attention of those charged with governance in relation to the audit of the financial statements. We have included these areas of audit focus in alignment with Haysmacintyre and expect to be able to rely on their work performed.

| Title | Area Affected | Response (where required) |
|---|---|---|
| **AF1 – Completeness of creditors** | Payables | Work will be undertaken to ensure completeness of liabilities with the financial statements, including completeness of any fitness to practice liabilities identified.<br><br>We expect to be able to rely on the work performed by Haysmacintyre in response to this area. |
| **AF2 – Completeness of staff costs** | Staff costs, exit costs and related disclosures<br><br>Remuneration report | Work will be undertaken to gain assurances that all staff costs incurred in year, including any redundancy or other related liabilities relevant to the Health and Care Professions Council, and all related disclosures are fully recorded within the financial statements with supporting disclosure in line with FReM requirements.<br><br>We expect to be able to rely on the work performed by Haysmacintyre in response to this area. We will review the remuneration report to ensure that disclosures are in line with FReM requirements. |

# Materiality

| | | |
|---|---|---|
| Basis for overall materiality calculation | £31,189,000 | 2021-22 Income |
| **Overall account materiality (2%)** | £624,000 | |
| Error reporting threshold | £31,200 | We report to you all misstatements, whether adjusted or unadjusted, above £31,200 |

For the 2022-23 audit, in line with generally accepted practice, we have set our quantitative materiality threshold as approximately 2% of prior year income which equates to £624,000.

These levels remain comparable to those used in the prior year. Our overall account materiality is based on prior year income given that this of interest of the users of the Health and Care Professions Council's accounts. In 2021-22, the materiality level was lowered to be based on fee income. This was due to the changes to the CRM system and issues identified during the 2020-21 audit in respect of income. Given these issues did not arise during the 2021-22 audit, we have based materiality on total income. This is in line with the proposed approach adopted by Haysmacintyre.

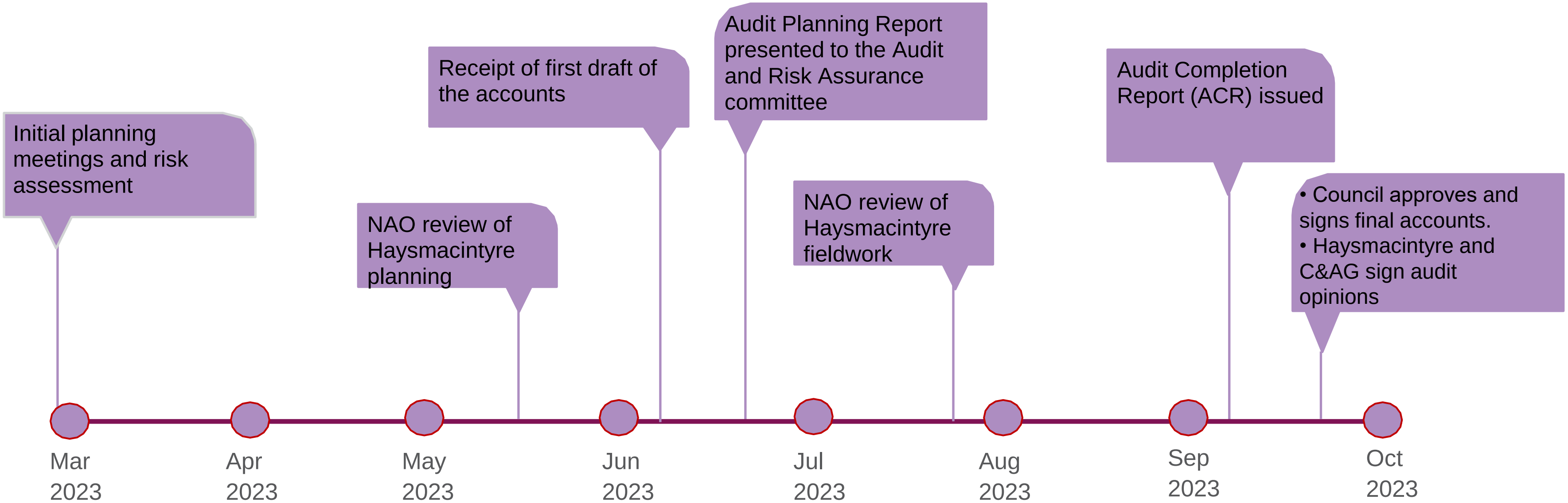
A matter is material if its omission or misstatement would reasonably influence the decisions of users of the financial statements. The assessment of what is material is a matter of the auditor's professional judgement and includes consideration of both the amount and the nature of the misstatement.

The concept of materiality recognises that absolute accuracy in financial statements is rarely possible. An audit is therefore designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement or irregularity. We apply this concept in planning and performing our audit, and in evaluating the effect of identified misstatements on our audit and of uncorrected misstatements, if any, on the financial statements and in forming the audit opinion. This includes the statistical evaluation of errors found in samples which are individually below the materiality threshold but, when extrapolated, suggest material error in an overall population. As the audit progresses our assessment of both quantitative and qualitative materiality may change.

We also consider materiality qualitatively. In areas where users are particularly sensitive to inaccuracy or omission, we may treat misstatements as material even below the principal threshold(s).

These areas include:
- the remuneration report;
- disclosures about losses and special payments;
- our audit fee; and
- irregular income and expenditure.

# Timing of the audit




**Planning**

In consultation with Management, Audit and Risk Assurance Committee, Internal Audit and other Key stakeholders, review the Health and Care Professions Council's operations, assess risk for our audit and evaluate the control framework.

Determine audit strategy.

**Fieldwork**

As appropriate, work led by Haysmacintyre. Fieldwork includes testing of the expenditure and income balances, as well as the significant balances and disclosures.

NAO review and testing of Remuneration Report disclosures.

**Completion**

ACR: present our findings and recommendations.

Seek management representations.

C&AG issues opinion.

Management Letter: provide final recommendations on control matters identified.

**Debrief**

Meeting to discuss lessons learned and improvements for the following year.

# Our audit fee

The NAO audit fee quote is based on the anticipated cost of delivering our audit work. The level of audit work is dependent upon a number of factors, including the nature and extent of significant risks of material misstatement within the financial statements and ensuring quality audit procedures are undertaken to meet the requirements of International Standards on Auditing (ISAs) (UK).

Drivers behind changes in audit fees over the last few years include:

- **The Financial Reporting Council (FRC) has increased its expectations around the quality of audit work in light of a number of high-profile corporate failings.** This has resulted in the level of audit work increasing, particularly into the application of judgement and scepticism in relation to complex accounting estimates, revenue recognition, going concern, and the audit of groups.
- **Financial reporting changes.** In the past few years, new accounting standards IFRS 9: *Financial Instruments,* IFRS 15: *Revenue*, and IFRS 16: *Leases*, have resulted in significantly more complex financial reporting requirements.
- **Auditing standard changes.** Recent and upcoming changes to auditing standards have increased the complexity and volume of audit work required to carry out audits in line with these standards, partly as a response to questions over the sufficiency of audit in light corporate failings. In 2022-23, new auditing standards (ISA 240 and ISA 315) relating to risk assessment come into effect which will substantially change the approach auditors take to risk assessment and the resultant audit procedures.
- **Investment in technology.** We are investing in our technology to enhance auditing techniques, such as data analytics and testing of controls, to improve both the quality of the audit we provide and the insight we can offer into common financial reporting and management challenges.
- **Increase in underlying costs.** The underlying costs of the NAO have increased since last year. Therefore, in line with the scheme of fees agreed with Parliament, we have adjusted the costs of our audit through our hourly rates to ensure these costs are correctly recovered through audit fees.

**Fees**

The fee for the audit is £10,000.

The principle agreed with Parliament is that our fee is set to recover the full costs of the audit, rather than make a profit from or subsidise an audit. The NAO determines its fees with reference to standard hourly rates for our staff, which are reviewed annually, and updated when costs change.

Completion of our audit in line with the timetable and fee is dependent upon the Health and Care Professions Council:

- delivering a complete Annual Report and Accounts of sufficient quality, subject to appropriate internal review, on the date agreed;
- delivering good quality supporting evidence and explanations within the agreed timetable;
- and making staff available during the audit.

If significant issues arise and we are required to perform additional work this may result in a change in our fee. We will discuss this with you before carrying out additional work.

The NAO is committed to delivering high-quality audit work and to meeting the expectations of our audited bodies, Parliament, the public, and other stakeholders. As a result of this commitment and the drivers outlined above, we have set our audit fee quote accordingly.

# Our audit approach

## Other Matters

**Audit scope and strategy**

This audit plan covers the work we plan to perform to express an opinion on whether the financial statements are free from material misstatement and are prepared, in all material respects, in accordance with the applicable financial reporting framework.

The plan is also designed to ensure the audit is performed in an effective and efficient manner.

Our audit approach is a risk based approach, ensuring that audit work is focused on significant risks of material misstatement and irregularity.

In areas where users are particularly sensitive to inaccuracy or omission, a lower level of materiality is applied, e.g. for the audit of senior management remuneration disclosures and related party transactions.

When undertaking our risk assessment we take into account several factors including:

- Inquiries of management
- Analytical procedures
- Observation and inspection of control systems and operations
- Examining business plans and strategies

Our risk assessment will be continually updated throughout the audit.

**Independence**

We are independent of the Health and Care Professions Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities/public interest entities. We have fulfilled our ethical responsibilities in accordance with these requirements and have developed important safeguards and procedures in order to ensure our independence and objectivity.

Information on NAO quality standards and independence can be found on the NAO website: https://www.nao.org.uk/about-us/our-work/governance-of-the-nao/transparency/.

We will reconfirm our independence and objectivity to the Audit and Risk Assurance Committee following the completion of the audit.

# Our audit approach (cont.)

## Other Matters

| | |
|---|---|
| **Management of personal data** | During the course of our audit we have access to personal data to support our audit testing.<br>We have established processes to hold this data securely within encrypted files and to destroy it where relevant at the conclusion of our audit. We confirm that we have discharged those responsibilities communicated to you in the NAO's Statement on Management of Personal Data at the NAO.<br>The statement on the Management of Personal Data is available on the NAO website:<br>http://www.nao.org.uk/freedom-of-information/publication-scheme/how-we-make-decisions/our-policies-and-procedures/policies-and-procedures-for-conducting-our-business/ |
| **Using the work of internal audit** | We liaise closely with internal audit through the audit process and seek to take assurance from their work where their objectives cover areas of joint interest. We do not intend to rely on the work of the internal auditors in forming our audit opinion. |
| **Communication with the NAO** | Organisations we audit tell us they find it helpful to know about our new publications, cross-government insight and good practice.<br>Our website holds a wealth of information from latest publications which can be searched, to pages sharing our insights on important cross-cutting issues. We also publish blogs and send email notifications to subscribers about our work on particular sectors or topics. If you would like to receive these alerts, please sign up at: http://bit.ly/NAOoptin. You will always have the option to amend your preferences or unsubscribe from these emails at any time. |
| **NAO's Transparency Report** | The NAO's annually published Transparency Report documents how we support Parliament in holding government to account through our statutory public audits.<br>The report includes details of our quality plan and the whole system approach we are taking to ensure consistently high-quality audit work including our adoption of the *International Standard on Quality Management (UK) 1 – Quality Management for firms that perform audits or reviews of financial statements, or other assurance or related services engagements.* |

# Appendix 1: The NAO audit team



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# Appendix 2: Scope and responsibilities

In line with ISAs (UK) we are required to agree the respective responsibilities of the C&AG/NAO and the Accounting Officer/audited entity, making clear that the audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

These responsibilities are set out in the Letter of Understanding of June 2020 and are summarised here. Please note that we will be issuing a new Letter of Understanding upon appointment of the new Accounting Officer in July 2023.

| Area | Accounting Officer/management responsibilities | Our responsibilities as auditor |
| --- | --- | --- |
| **Scope of the audit** | • Prepare financial statements in accordance with the Health Professions Order 2001 and directions made thereunder by the Privy Council, and that give a true and fair view.<br>• Process all relevant general ledger transactions and make these, and the trial balance, available for audit.<br>• Support any amendments made to the trial balance after the close of books (discussing with us).<br>• Agree adjustments required as a result of our audit.<br>• Provide access to documentation supporting the figures and disclosures within the financial statements.<br>• Subject the draft account to appropriate management review prior to presentation for audit | • Conduct our audit in accordance with International Standards on Auditing (ISAs) (UK).<br>• Report if the financial statements do not, in any material respect, give a true and fair view.<br>• Review the information published with the financial statements (e.g. annual report) to confirm it is consistent with the accounts and information obtained during the course of our audit. |
| **Fraud** | • Primary responsibility for the prevention and detection of fraud.<br>• Establish a sound system of internal control designed to manage the risks facing the organisation; including the risk of fraud. | • Obtain reasonable assurance that the financial statements (as a whole) are free from material misstatement, whether caused by fraud or error.<br>• Make inquiries of those charged with governance in respect of your oversight responsibility.<br>• Discuss fraud risks associated with the entity with those charged with governance. |

# Appendix 2: Scope and responsibilities (cont.)

| Area | Accounting Officer/management responsibilities | Our responsibilities as auditor |
|---|---|---|
| **Regularity** | • Ensure the regularity of financial transactions.<br>• Obtain assurance that transactions are in accordance with appropriate authorities, including the organisations statutory framework and other requirements of Parliament and HM Treasury. | • Conduct our audit of regularity in accordance with Practice Note 10, 'Audit of financial statements and regularity of public sector bodies in the United Kingdom (revised 2022)', issued by the Financial Reporting Council.<br>• Confirm the assurances obtained by the Health and Care Professions Council that transactions are in accordance with authorities.<br>• Have regard to the concept of propriety, i.e. Parliament's intentions as to how public business should be conducted. |
| **Propriety** | • Ensure the propriety of financial transactions<br>• Ensure that patterns of resource consumption should meet high expectations of public conduct, and robust governance and respect Parliament's intentions, conventions and control procedures, including any laid down by the Public Accounts Committee. | • Propriety is not readily susceptible to objective verification and, as such, is not expressly covered in the opinion on financial statements. When issues of propriety come to light in the course of the audit of financial statements, the auditor considers whether and, if so, how they may be reported. |
| **Governance statement** | • Review the approach to the organisation's governance reporting.<br>• Assemble the governance statement from assurances about the organisation's performance and risk profile, its responses to risks and its success in tackling them.<br>• Board members, with the support of the Audit and Risk Assurance Committee, evaluate the quality of internal control and governance, and advise on any significant omissions from the statement. | • Confirm whether the governance statement is consistent with our knowledge of the organisation, including its internal control.<br>• Consider whether the statement has been prepared in accordance with HM Treasury guidance, including Managing Public Money. |
| **Accounting estimates and related parties** | • Identify when an accounting estimate, e.g. provisions, should be made.<br>• Appropriately value and account for estimates using the best available information and without bias.<br>• Identify related parties.<br>• Appropriately account for and disclose related party transactions. | • Consider the risk of material misstatement in respect of accounting estimates made by management.<br>• Perform audit procedures to identify, assess and respond to the material risks of not accounting for or disclosing related party relationships appropriately.<br>• Significant risks are set out from page 10. |

# Appendix 3: Future accounting standards



| Accounting standard | Detail | Future direction for the Health and Care Professions Council |
|---|---|---|
| **IFRS 17: Insurance Contracts**<br><br>IFRS 17 implementation will now be effective from 1 January 2023. The previous IASB implementation date was 1 January 2022.<br><br>HM Treasury are consulting on the public sector interpretation of this Standard for FReM bodies. It expects implementation to be from 2025-26, with early adoption allowed in select cases. | IFRS 17: Insurance Contracts replaces IFRS 4 of the same name. The new standard will apply more standardised and rigorous requirements on accounting for insurance contracts. The new standard sets clearer expectations on the recognition, classification and measurement of assets and liabilities in relation to insurance contracts.<br><br>The scope of the standard covers insurance contracts issued and re-insurance contracts issued or held. An insurance contract is defined as:<br><br>"*A contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder*."<br><br>HMT are considering the application of IFRS 17 to the public sector. The standard reflects appropriate practice for the commercial insurance industry and implementation without adaptation may not be suitable for the public sector. HMT have already identified the practice of self-insurance across the public sector as an area that may adapted for government bodies. They are seeking feedback on where such self-insurance arrangements might exist, so the extent of this undertaking can be considered when the standard is adapted for the FReM. | Entities should consider if in their normal course of business they provide any insurance contracts and consider what systems and reporting may be required to manage the change in accounting policy.<br><br>Audit and Risk Assurance Committees are asked to consider whether, through contractual arrangements or custom and practice, their enterprises insure other bodies against specific risks. Where arrangements are identified, entities should engage with HMT on the application of the standard within the public sector. Audit and Risk Assurance Committees are requested to continue to monitor new transaction streams or arrangements against the criteria of IFRS 17 to ensure all liabilities are appropriately recognised across the government estate.<br><br>Although the implementation of IFRS 17 is not planned until 2025-26, the standard should not be underestimated and preparations will be required. Accounting for insurance contracts requires information and understanding of actuarial adjusted outcomes, risk and discounting. Audited entities will need to prepare different data, system and processes to implement the standard. |

# Appendix 4: Changes to auditing standards

**ISA (UK) 315 (Revised) : Identifying and Assessing the Risks of Material Misstatement**

Effective from 2022-23

**ISA 315** is the critical standard which drives the auditor's approach to the following areas:

- Risk Assessment
- Understanding the entity's internal control
- Significant risk
- Approach to addressing significant risk (in combination with ISA 330)

The International Auditing & Assurance Standards Board (IAASB) concluded that whilst the existing version of the standard was fundamentally sound, feedback determined that it was not always clear, leading to a possibility that risk identification was not consistent.

The aims of the revised standard is to:

- Drive consistent and effective identification and assessment of risks of material misstatement
- Improve the standard's applicability to entities across a wide spectrum of circumstances and complexities ('scalability')
- Modernise ISA 315 to meet evolving business needs, including:
    - how auditors use automated tools and techniques, including data analytics to perform risk assessment audit procedures
    - how auditors understand the entity's use of information technology relevant to financial reporting
- Focus auditors on exercising professional scepticism throughout the risk identification and assessment process.

The key impacts are:

- Significant increase in work on entity's use of IT in business and system of internal control.
- Clearer workflow within the standard to highlight the importance of the auditor's understanding of the entity and environment, the applicable financial reporting framework, and system of internal control.
- New concepts: e.g. inherent risk factors, spectrum of inherent risk
- Changed definitions: notably, the definition of 'significant risk'
    - **Significant risk** – An identified risk of material misstatement:
        - For which the assessment of inherent risk is close to the upper end of the spectrum of inherent risk due to the degree to which inherent risk factors affect the combination of the likelihood of a misstatement occurring and the magnitude of the potential misstatement should that misstatement occur; or
        - That is to be treated as a significant risk in accordance with the requirements of other ISAs (UK).

# Appendix 4: Changes to auditing standards (cont.)

## ISA (UK) 240: The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements

Effective from 2022-23

Misstatements in the financial statements can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action that results in the misstatement of the financial statements is intentional and involves deception or is unintentional. ISA (UK) 240 deals with the auditor's responsibilities relating to fraud in an audit of financial statements.

The revision to the standard aims to clarify the obligations of auditors to identify and assess the risk of material misstatement due to fraud, as well as including supplemental requirements and guidance to enhance the auditors' procedures.

Key changes are:

- The objectives of the auditor have been revised to emphasise the requirement to obtain reasonable assurance about whether the financial statements are free from material misstatement due to fraud.
- There is a greater focus on professional scepticism including that audit approaches don't show bias to looking for corroborative evidence or excluding contradictory evidence.
- There are new requirements for the auditor to determine whether the engagement team requires specialised skills or knowledge to perform their work on fraud, including their assessment of fraud risk, associated procedures and evaluation of the evidence obtained.
- There is additional guidance regarding the discussion required by ISA (UK) 315 among the audit engagement team. This is to discuss the susceptibility of the entity's financial statements to material misstatement due to fraud or error. The revised ISA (UK) 240 emphasises the need for an exchange of ideas among all engagement team members about fraud risk factors.
- The auditor shall make inquiries of management, or others within the entity who deal with fraud allegations, to determine whether they have knowledge of any actual, suspected or alleged fraud, including cases of fraud raised by employees or other parties.
- Auditors are to hold a discussion with those charged with governance regarding the risks of fraud in the entity and to consider the implications for the audit.
- The auditor must communicate with those charged with governance matters relating to fraud (unless prohibited by law or regulation) and the auditor's assessment of the risks of material misstatement due to fraud.
- Auditors must evaluate whether their assessment of the risk of material misstatement due to fraud remains appropriate at audit conclusion, that sufficient appropriate audit evidence has been obtained, and that the financial statements are not materially misstated as a result of fraud.
- The auditor's report shall explain to what extent the audit was considered capable of detecting irregularities, including fraud.

# Appendix 4: Changes to auditing standards (cont.)

**International Standard on Quality Management 1 (ISQM 1) (UK):** *Quality Management For Firms That Perform Audits Or Reviews Of Financial Statements, Or Other Assurance Or Related Services Engagements*

***And***

**International Standard on Quality Management (UK) 2:** *Engagement quality reviews*

***And***

**ISA (UK) 220 (Revised July 2021):** *Quality Controls for an Audit of Financial statements.*

effective from 15 December 2022 for ISQM 1 and for the 2023-24 audit cycle for ISQM 2 and ISA 220

ISQM 1 is the auding standard which sets out the auditor's responsibilities to design, implement and operate a system of quality management. ISQM 1 will be released alongside a series of standards on quality including ISQM 2 *Engagement Quality Reviews* and ISA 220 (revised) *Quality Management for an Audit of Financial statements.* This series replaces the existing standard on quality*:* ISQC 1 *The International Standard on Quality Control* and the extant ISA 220.

**ISQM 1**

- ISQM 1 directs auditors to implement a system of quality management which is the mechanism that creates an environment that enables and supports auditors in performing quality audits and is intended to facilitate auditors in achieving consistent engagement quality.
- ISQM 1 requires that auditors transition from implementing quality policies and procedures which address the compliance requirements of ISQC 1, to an integrated and proactive approach to managing quality risks and responses. Key changes include:

i. A more proactive and tailored approach to managing quality, focused on achieving quality objectives through identifying risks to those objectives, and responding to the risks

ii. Expanded requirements to insert quality measures in respect of audit technology and the use of external service providers.

iii. New requirements addressing information and communication, including communication with external parties such as Audit and Risk Assurance Committees.

iv. Enhanced requirements for monitoring and remediation to promote more proactive monitoring of the system of quality management as a whole, and effective and timely remediation of deficiencies.

**ISQM 2**

- ISQM 1 establishes the NAO's responsibilities for our system of quality management and requires us to design and implement responses to address the quality risks. ISQM 2 is a standard wholly related to one of those quality responses: the engagement quality review.
- An engagement quality review is an objective evaluation of the significant judgments made by the engagement team on our highest risks audits and the conclusions reached thereon.

**ISA 220**

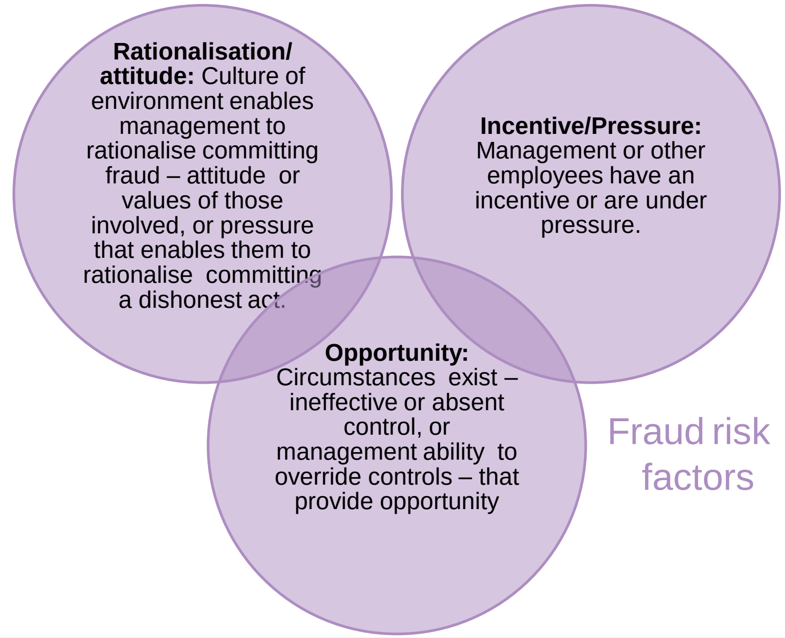
ISA 220 deals with the specific responsibilities of the auditor regarding quality management at the engagement level and the related responsibilities of the engagement partner.

# Appendix 5: Fraud matters



ISA (UK) 240 'The auditor's responsibility to consider fraud in an audit of financial statements' requires us, as your auditors, to make inquiries and obtain an understanding of the oversight exercised by those charged with governance.


What can constitute fraud?




Fraud risk factors

**ISA inquiries**

Our inquiries relate to your oversight responsibility for

- Management's assessment of the risk that the financial statements may be materially misstated owing to fraud, including the nature, extent and frequency of such assessments;
- Management's process for identifying and responding to the risks of fraud, including any specific risks of fraud that management has identified or that has been brought to its attention;
- Management's communication to the Audit and Risk Assurance Committee (and others charged with governance) on its processes for identifying and responding to the risks of fraud; and
- Management's communication, if any, to its employees on its views about business practices and ethical behavior.

**We are also required to ask whether you have any knowledge of any actual, suspected or alleged fraud and discuss with you the risks of fraud in the entity.**

**Audit approach**

We have planned our audit of the financial statements so that we have a reasonable expectation of identifying material misstatements and irregularity (including those resulting from fraud). Our audit, however, should not be relied upon to identify all misstatements or irregularities. The primary responsibility for preventing and detecting fraud rests with management.

We will incorporate an element of unpredictability as part of our approach to address fraud risk. This could include, for example, completing procedures at locations which have not previously been subject to audit or adjusting the timing of some procedures.

We will report to the Audit and Risk Assurance Committee where we have identified fraud, obtained any information that indicates a fraud may exist or where we consider there to be any other matters related to fraud that should be discussed with those charged with governance.

# Appendix 6: Guidance for governance

Guidance for governance

### Support to Audit and Risk Assurance Committees

We have developed a range of guidance and tools to help public sector Audit and Risk Assurance Committees achieve good corporate governance. This includes specific guidance on financial reporting and management during Covid-19

Insights - National Audit Office (NAO)

https://www.nao.org.uk/report/guidance-for-audit-and-risk-committees-on-financial-reporting-and-management-during-covid-19/

### Climate Risk: A good practice guide for Audit and Risk Assurance Committees

Audit and Risk Assurance Committees play a key role in scrutinising and advising the Board and Accounting Officer on risks arising from climate change. This guide will help ARACs recognise how climate change risks could manifest themselves and support them in challenging senior management on their approach to managing climate change risks

Climate change risk: A good practice guide for Audit and Risk Assurance Committees - National Audit Office (NAO) Report

### Corporate Governance Code for central government departments

The document was released in April 2017 and lays out the model for departmental boards, chaired by Secretaries of State and involving ministers, civil servants and non-executive board members. The principles outlined in the code will also prove useful for other parts of central government and they are encouraged to apply arrangements suitably adapted for their organisation.

https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017

### Sustainability reporting

This guidance is to assist with the completion of sustainability reports in the public sector. It sets out the minimum requirements, some best practice guidance and the underlying principles to be adopted in preparing the information.

Public sector annual reports: sustainability reporting guidance 2021 to 2022 - GOV.UK (www.gov.uk)

### Good practice in annual reports

The Building Public Trust Awards recognise outstanding corporate reporting that builds trust and transparency. The interactive PDF below illustrates a range of good practice examples across annual reports in both the public and private sector.

https://www.nao.org.uk/report/good-practice-in-annual-reports-february-2021/

### Disclosure Guides

Our disclosure guides for audited entities help audited bodies prepare an account in the appropriate form and that has complied with all relevant disclosure requirements.

Disclosure guide for entities who prepare financial statements in accordance with the Government Financial Reporting Manual (FReM) - National Audit Office (NAO) insight

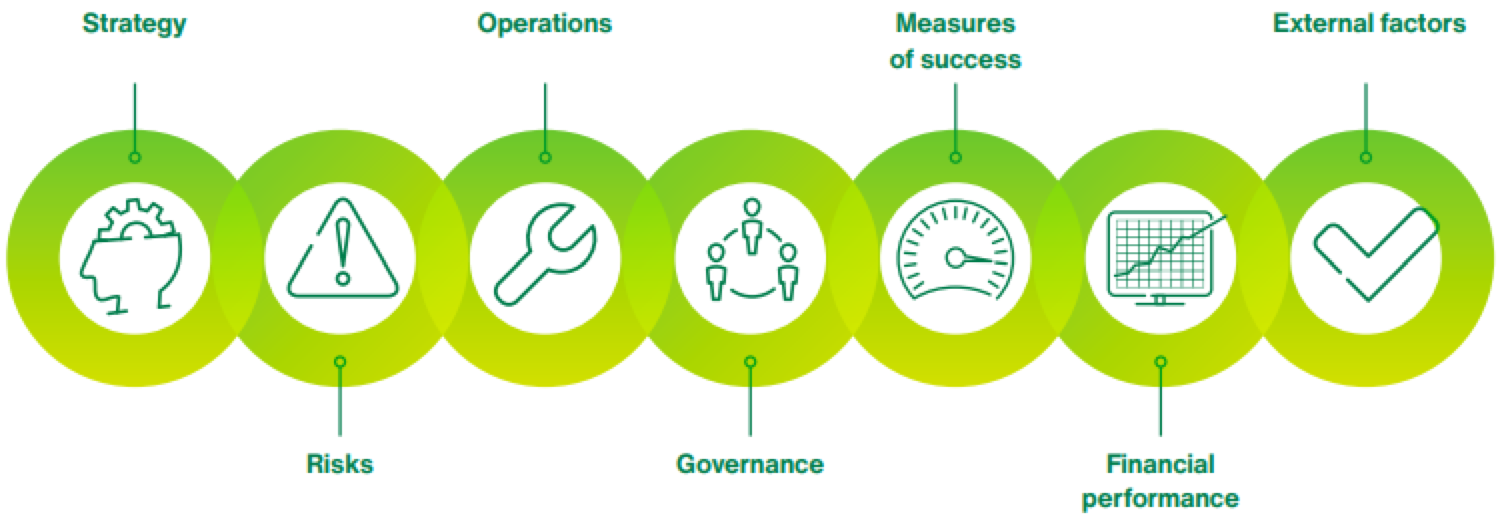
# Appendix 7: Good Practice in Annual Reporting



The Audit and Risk Assurance Committee plays a key role in scrutinising the Annual Report and Accounts, ensuring the quality of disclosures and its understandability for users.

To support the Audit and Risk Assurance Committee in this role, we have published our **Good Practice in Annual Reporting** guide.

The Guide, issued in February 2023, provides specific examples of best practice we identified during our review of a sample of 2021-22 annual reports. The good practice principles are grouped under the following headings: supporting accountability, transparency, accessibility and understandability and these should be evident across the common sections of an annual report (below).




**Could you be a winner in 2022-23?**
If you would like to nominate your organisation for the Building Public Trust Awards for your 2022-23 Annual Report and Accounts, please speak to your NAO Team or contact us at **Building.Public.Trust@nao.org.uk**.

# Appendix 7: Good Practice in Annual Reporting (cont.)

## Essential features of a good annual report

### Supporting accountability

- telling the story of the organisation in a fair and balanced way;
- compliance with the relevant reporting requirements; and
- clear action points to take forward.

### Transparency

- frank and honest analysis;
- consideration of the challenges an organisation is facing;
- appropriate use of data; and
- quantification of risks and performance measures.

### Accessibility

- highlights key trends in the financial statements;
- concise summaries of key points; and
- consideration of how the organisation engages with key stakeholders and meets their needs.

### Understandable

Use of:

- plain English to explain difficult concepts;
- infographics and diagrams to communicate important messages; and
- clearly integrated structure to help users navigate it effectively.

# Appendix 8: How your Audit and Risk Assurance Committee can support timely Annual Report and Accounts publication

**The Covid-19 pandemic has impacted on the timely delivery of central government accounts, with 55% of Annual Reports and Accounts being published before the summer Parliamentary Recess in 2021 – which although an increase from 41% in 2020 is down from 85% before the pandemic in 2019. Audit and Risk Assurance Committees have a key role to play in supporting management in achieving timely Annual Report and Accounts publication. Below we set out some key areas Audit and Risk Assurance Committees may find it helpful to focus on.**

**Learning from the prior year**

- Has management held debrief sessions with relevant stakeholders, including the NAO, to identify what worked well in previous accounts production and audit process and areas where enhancements can be made?

**A clear project plan is in place with appropriate senior management ownership and accountability**

- Has a project plan been developed and presented to the Audit and Risk Assurance Committee in advance of the year end, with appropriate oversight and accountability at a senior level, and has it been agreed with all relevant stakeholders including the NAO?

**Project plans are realistic, not inappropriately optimistic and have clear milestones which are monitored to prevent slippage**

- Is the project plan sufficiently granular and with clear milestones for delivery built in and, where the project plan aims for earlier Annual Report and Accounts publication than in prior years, are these plans realistic and achievable?

**The Audit and Risk Assurance Committee has visibility of and has reviewed of key judgements**

- Does the Audit and Risk Assurance Committee have clear visibility of the key accounting judgements and, where these judgements are historic, has management reviewed and considered whether these judgements remain appropriate before the year-end or whether any update is needed?

**Plan to address key accounting judgements early – and take stock of progress before the year-end**

- Has management identified new and emerging key accounting judgements and has plans in place to address these at an early stage?

**Skeleton Annual Report and Accounts are prepared to facilitate early review**

- Has management prepared a skeleton Annual Report and Accounts, incorporating any changes in disclosure requirements and best practice, which has been reviewed by management, the NAO and the Audit and Risk Assurance Committee in advance of the year-end? In particular, has the Governance Statement (or equivalent) been updated to reflect the latest circumstances of the organisation?

**Latest reporting requirements are factored into project plans**

- Where the organisation is adopting new accounting standards (eg, IFRS 16 *Leases*) or other disclosures (eg, Taskforce on Climate-Related Financial Disclosures) has the Audit and Risk Assurance Committee been provided with a project plan for implementation?

**Where the delivery of Group accounts is dependent upon components (arms length bodies, agencies or others) the Group Audit and Risk Assurance Committee and management have sufficient oversight**

- Have instructions been put in place with component finance teams to obtain the required information in line with the Group reporting timetable and does the Audit and Risk Assurance Committee have visibility of risks that sit at component level?

**Beyond the finance team, other parts of the organisation understand their role and are brought into the year-end process.**

- Where contributions to the year-end accounts production process are from outside of the finance team (for example, sections of the annual report or external valuers) have arrangements been put in place before the year-end to ensure required information is available in line with the timetable?

**Ministerial approval is factored into the project plan**

- Where Annual Reports and Accounts require ministerial approval, has early engagement taken place to schedule this in with the sponsor department?

**Additional guidance**

- HM Treasury – Guidance on Annual Reports and Accounts (for organisations that apply the Government Financial Reporting Manual) - https://www.gov.uk/government/collections/government-financial-reporting-manual-frem
- NAO - Good Practice in Annual Reporting - https://www.nao.org.uk/report/good-practice-in-annual-reports-february-2021/
- NAO – Guidance for Audit & Risk Committees on Financial Reporting and Management during Covid-19 - https://www.nao.org.uk/report/guidance-for-audit-and-risk-committees-on-financial-reporting-and-management-during-covid-19/
- NAO - Climate Change Risk: a good practice guide for Audit Committees - https://www.nao.org.uk/report/climate-change-risk-a-good-practice-guide-for-audit-and-risk-assurance-committees/

# Appendix 9: Audit and Risk Assurance Committee Effectiveness Tool

Audit and Risk Assurance Committees (ARACs) play a crucial role in supporting the effective governance of central government departments, their agencies and arm's-length bodies.

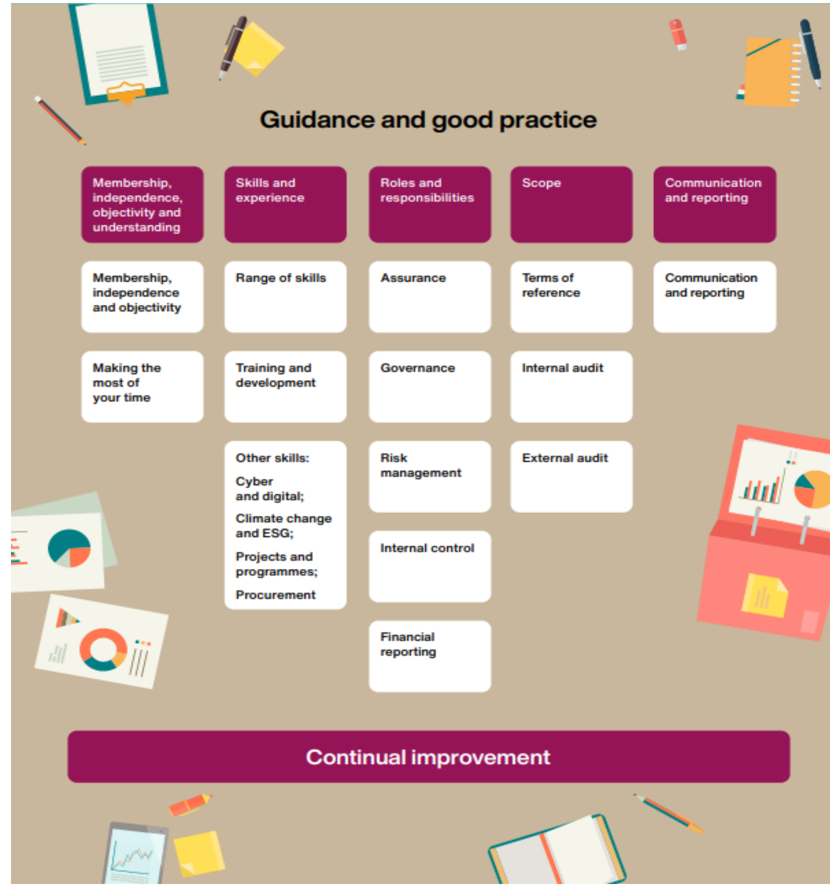
ARACs are operating in a highly challenging context. Government organisations are managing many risks and are required to be resilient to a number of new and increasingly complex pressures. This has created an environment where Audit and Risk Assurance Committees need to be dynamic and responsive to the changing risk profiles and demands of their organisations.


Our new and enhanced [effectiveness tool] is a comprehensive way for ARACs in central government to assess their effectiveness on a regular basis.

The tool provides a way for ARACs to assess their effectiveness against more than just the basic requirements. It provides aspects of good practice to allow ARACs to develop beyond the basic requirements of their role.

Our effectiveness tool outlines six areas for self-assessment:

- **membership, independence, objectivity and understanding**
- **skills and experience**
- **roles and responsibilities**
- **scope**
- **communication and reporting**
- **continual improvement**




## Outcome Analyser

To gain an overall view of ARAC effectiveness, it is important that the individual views of all members are considered as a whole. Therefore we have created an accompanying [outcome analyser] which allows you to:

- generate an overall view of ARAC effectiveness; and
- drill down and analyse specific areas of strength or improvement on a section, sub-section and individual question level.