

### Audit and Risk Assurance Committee annual report to the Council and the Accounting Officer 2023-24

#### Executive Summary

The HCPC provides an Audit and Risk Assurance Committee annual report to the Council and the Accounting Officer as part of the governance statement within the Annual Report and Accounts. The draft ARAC annual report to the Council and the Accounting Officer 2023-24 is attached for the Committee’s approval. This follows the same format as adopted in previous years and includes:

- the composition of the Committee and the number of meetings held.
- the purpose and scope of the Committee, as set out in the Committee’s standing orders; and
- a summary of matters considered by the Committee during the reporting year.

Previous consideration	The draft annual report narrative has been shared with the Executive Leadership Team for initial feedback and review.
Decision	The Committee is asked to approve the report.
Next steps	Following approval, the report will be incorporated into the final draft of the HCPC Annual Report and Accounts 2023/24, which will be submitted to the ARAC and the Council in September.
Strategic priority	Strategic priority 5: Build a resilient, healthy, capable and sustainable organisation.
Financial and resource implications	None
EDI impact and Welsh language standards	None
Author	Francesca Bramley, Governance Manager <a href="mailto:francesca.bramley@hcpc-uk.org">francesca.bramley@hcpc-uk.org</a>
ELT Sponsor	Alastair Bridges, Executive Director of Resources <a href="mailto:alastair.bridges@hcpc-uk.org">alastair.bridges@hcpc-uk.org</a>

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

The Audit and Risk Assurance Committee is made up of three members appointed by and from the Council and one independent member. The Chair and the independent member of the Committee both have recent, significant and relevant financial experience. The Committee met four times in 2023-24 in line with the Committee's standing orders. Attendance at these meetings is detailed in the table on pages 62-63 of this report.

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

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

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

## Internal audit

Internal audit emphasis is focused on providing assurance on the integrity of our internal control, governance and risk management processes while also providing forward-looking and value-adding advice to the ELT where possible. The internal auditors undertake an approved programme of audits, reporting to the Committee on the effectiveness of controls and making recommendations where appropriate. BDO LLP were appointed as the HCPC's internal auditors from the 2022-23 financial year for three financial years.

During 2023-24, the Committee considered the following Internal Audit reports:



Each year the internal auditor undertakes a review of the implementation of recommendations made. For 2023–24 there were 11 internal audit recommendations tested for implementation completion. The internal auditors found that of these, seven were fully implemented, with only four requiring further work to be considered fully implemented. Three of the recommendations that were either not yet implemented or partially implemented were impacted by the delayed implementation of our new finance system, Business Central, which was successfully launched in April 2024.

During 2023–24, other matters considered by the Committee included the following:



A workshop took place in February 2024 at which the Committee reviewed progress on the agreed actions from the Committee’s self-assessment in February 2023 using the NAO’s Audit and Risk Assurance Committee effectiveness tool. The Committee agreed that the actions identified through the self-assessment remained relevant and should be continued and further developed in 2024. The workshop also included a review of the development of the HCPC’s unified assurance framework and the actions to implement the recommendations from BDO LLP’s review in 2022-23, including plans to test the ‘pillars’ of the assurance framework using a departmental self-assessment, and to support a positive culture around risk management.