hcpc **health & care professions council**

Audit and Risk Assurance Committee

Minutes of the meeting of the Audit and Risk Assurance Committee held in public on:

Date:	Wednesday 18 September 2024
Time:	2pm
Venue:	HCPC offices, Kennington
Members:	Lianne Patterson (Chair) Graham Masters David Stirling
Apologies:	Helen Gough Jordan McKenna*
Attendees:	Aihab Al-Koubaisi, Financial Controller Francesca Bramley, Governance Manager Alastair Bridges, Executive Director of Resources Heather Buckingham, BDO LLP (for items 11 and 12, on Microsoft Teams) Kathryn Burton, Haysmacintyre LLP Roy Dunn, Chief Information Security and Risk Officer Karen Flaherty, Head of Governance Nicole Jones, Compliance Officer Alan Keshtmand, Head of Finance Bill Mitchell, BDO LLP Bernie O'Reilly, Chief Executive and Registrar (Accounting Officer) Anna Raftery, Head of Assurance and Compliance Daniel Reay, National Audit Office (NAO) Gareth Roberts, NAO Nicole Small, Operations Manager – Quality Assurance and Registration

---

* Council Apprentice

Audit and Risk Assurance Committee 13 November 2024
Draft public minutes of the Audit and Risk Assurance
Committee meeting on 18 September 2024

Page 1 of 7

1. Welcome and introduction

1.1. The Chair welcomed those present to the meeting of the Audit and Risk Assurance Committee (the Committee) and led the introductions.

2. Apologies for absence

2.1. Apologies were received from Helen Gough and Jordan McKenna, the Council Apprentice who would usually attend meetings of the Committee. Helen Gough had provided some feedback and questions in advance of the meeting in relation to the items to be considered, which the Chair would raise during the meeting.

3. Approval of agenda

3.1. The Committee approved the agenda.

4. Declarations of members' interests in relation to agenda items

4.1. There were no interests declared.

5. Minutes of the Audit and Risk Assurance Committee meeting held in public on 19 June 2024

5.1. The Committee approved the minutes of the meeting of the Committee held in public on 19 June 2024 as an accurate record of that meeting.

6. Matters arising

6.1. The Committee noted the updates provided in response to the actions from its previous meetings.

7. Strategic risk register

7.1. This item was considered after item 8. In response to previous feedback from the Committee, the presentation of the strategic risk register (SRR) had been updated to include a key to the symbols used, to streamline the narrative, to align the updates more closely with the corporate plan milestones and the milestones tracker and to link the mitigations more directly to the risk.

7.2. The Committee reviewed the latest version of the SRR. There had been a decrease in the current risk score for strategic risk two relating to the quality and suitability of the HCPC's standards and guidance and communication of

Audit and Risk Assurance Committee 13 November 2024
Draft public minutes of the Audit and Risk Assurance
Committee meeting on 18 September 2024

Page 2 of 7

regulatory expectations. This reflected the evolution of the HCPC's approach to consultations and learning from previous consultations. The engagement ahead of the implementation of the changes to the standards of conduct, ethics and performance and other workshops and activity had also helped to mitigate this risk. There had been no changes to the scoring of the other strategic risks.

7.3.   The Executive Leadership Team (ELT) would be reviewing and refreshing the strategic risks as part of the development of the corporate plan for 2025-26 and the next corporate strategy. This would reframe the risks to have a greater focus on aspects that were within the HCPC's control.

7.4.   The Committee commended the clarity of the report, which provided a good level of detail.

7.5.   The Committee discussed the level of uncertainty about the extent and timing of the implementation of regulatory reform and whether the HCPC would be ready to respond quickly enough in terms of resourcing to get the most from the opportunities it presented. The Chief Executive agreed that the HCPC would want to seize the opportunities offered through regulatory reform. It would need to reprioritise other activity to do so if implementation was brought forward while appropriate resources were put in place, rather than having the resourcing fully in place in advance while the timetable remained uncertain.

8.   Operational risk register annual review

8.1.   This item was considered before item 7. The Chief Information Security and Risk Officer presented the annual review of the operational risk register, highlighting the factors that had influenced the risks over the previous year. These included:

- the implementation of the new finance system, Business Central;

- the final decision in the NMC and Somerville case regarding the 'worker' status of partner roles, although preparations to understand the implications of the case and the HCPC's response had begun in advance of this; and

- the persistent cyberattacks over a period of nine to ten months, which had been successfully defended, but exposed a reliance on suppliers who were not always able to respond to these threats.

8.2.   In response to a question from a Committee member, it was explained that new and emerging areas of risk were identified through audit work carried out by the Assurance and Compliance team as well as internal audit and departmental reviews of operational risks. It was also clarified that the backlog referred to in the 'influencers' for strategic risk one related to performance review reporting at the end of the process, something which had been discussed by the Education and Training Committee.

Audit and Risk Assurance Committee 13 November 2024   Page 3 of 7
Draft public minutes of the Audit and Risk Assurance
Committee meeting on 18 September 2024

8.3. The Chair noted the commentary in the report about the financial sustainability of the HCPC, which was open to a more negative interpretation by those outside the HCPC who may not have all the information. It was suggested that the potential interpretation of the language used should be considered when reviewing the wording of the operational risks.

9. Risk appetite review

9.1. The Committee noted the work to raise awareness and embed the use of the risk appetite in operational practice, since the risk appetite statement was approved by the Council in October 2023. This included a presentation at the all employee briefing and, more recently, to the Policy and Standards team, and the incorporation of risk appetite in investment planning templates and a new cover sheet for Council, committee and ELT meetings. These would help to ensure that strategic and investment decisions were guided by the risk appetite.

9.2. The Committee was encouraged by the work to ensure the risk appetite was used in practice and looked forward to receiving further updates on this as well as the work to develop the corporate strategy. The Committee added that it would be incumbent on the Council to provide challenge and test the approach to risk appetite in the decisions it considered to support its active application in decision-making.

10. Whistleblowing policy

10.1. The Head of Governance summarised the proposed changes to the whistleblowing policy to continue its evolution to become more employee-focused and support and encourage speaking up in the widest sense.

10.2. The Committee was supportive of the proposed approach and provided the following feedback:

- ensure that any concern raised was treated as confidential, whether that concern was a grievance or a protected disclosure;

- appoint someone experienced in the role of the speaking up guardian, who would be able to respond sensitively and identify the concern regardless of how it was expressed or who had raised it;

- provide appropriate support to the person in the speaking up guardian role;

- ensure that employees felt confident that they could raise concerns without any fear that there might be negative consequences or repercussions for them personally; and

Audit and Risk Assurance Committee 13 November 2024
Draft public minutes of the Audit and Risk Assurance
Committee meeting on 18 September 2024

Page 4 of 7

- seek input from employees at all levels and across all departments to determine the most accessible options for speaking up and raising concerns.

10.3. The Head of Governance responded that there would be engagement with employees in developing the policy and to raise awareness once implemented. This could be built on over time by sharing examples on an anonymised basis to illustrate the types of concerns that could be raised and demonstrate how the HCPC welcomed and supported employees to speak up and raise concerns. Other regulators of health and care professionals had or were introducing similar roles and would be able to share experiences and learning in the role.

10.4. BDO LLP noted that Head of Internal Audit was the speak up guardian at the General Medical Council.

11.   Internal audit reports

11.1. The internal audit reports relating to the reviews of the following areas were presented:

- project management benefits realisation and management; and
- education – new approach.

Project management benefits realisation and management

11.2. The review of project management benefits realisation and management had resulted in a moderate level of assurance for the design of the system of internal control and substantial assurance for the effectiveness of these controls. Four projects at different stages had been considered as part of the review to provide an overview of the full project lifecycle. It had been clear from the review that benefits management was embedded at all stages of project management. The areas of good practice were highlighted and demonstrated an advanced approach to project governance and at the forefront when compared to other similar organisations.

11.3. Three medium priority findings had been identified, largely stemming from the design of the benefits management framework and related to:

- the benefits referencing intermediate rather than final outcomes and not adequately defining the levels of success expected or prioritising the benefits to provide greater focus;

- a lack of clarity on the role of the Change and Benefits Forum, in particular its authority around decision-making; and

- the lack of reference to risk in the investment cases, whether in relation to the project or its impact on wider strategic or operational risks.

Audit and Risk Assurance Committee 13 November 2024   Page 5 of 7
Draft public minutes of the Audit and Risk Assurance
Committee meeting on 18 September 2024

11.4.	The Committee noted the overall positive tone of the report, however, the findings in the report had raised areas that Committee members had previously identified relating to the role of the Change and Benefits Forum.

Education – new approach

11.5.	The review of the revised approach to managing quality assurance in education had resulted in a moderate level of assurance for both the design of the system of internal control and the effectiveness of these controls. The review had included consideration of compliance with standard nine of the Professional Standards Authority's (PSA) standards of good regulation. A number of areas of good practice were highlighted and there was one finding of low significance relating to the lack of key performance indicators (KPIs) to assess and manage partner performance. There was an ongoing project to assign KPIs for partner activity at an organisational level, which had been recognised in the significance of the finding and the recommendation.

11.6.	The Committee supported the work to establish KPIs for partner roles and provide feedback to partners. The Committee queried why the revised approach in education had received a moderate level of assurance, given that there was only one low significance finding. The internal auditor clarified that this had been due to the area under review being directly linked to a PSA standard and the importance of maintaining focus on this area.

## 12.	Internal audit progress report

12.1.	The Committee noted the internal audit progress report, updating on the delivery of the internal audit plan for 2024-25. Management comments on the report for KPIs had been received and the report would now be finalised. Fieldwork had been completed on two further reviews relating to stakeholder engagement and environmental sustainability and the draft reports were being prepared.

12.2.	In response to a query about the work under way and anticipated levels of assurance, the internal auditors agreed to circulate the final report relating to KPIs in advance of the next meeting in November 2024.

Action: BDO LLP agreed to circulate the final internal audit report relating to the review of KPIs once this was available.

## 13.	Internal audit recommendations tracker

13.1.	The Compliance Officer highlighted the changes to the format and commentary in the report in response to previous feedback from the Committee. The Committee noted the updates on the implementation of recommendations arising from internal audit reviews and welcomed the further enhancements to the report.

Audit and Risk Assurance Committee 13 November 2024	Page 6 of 7
Draft public minutes of the Audit and Risk Assurance
Committee meeting on 18 September 2024

13.2. The Committee Chair confirmed that she had met with the Head of Policy and Standards and received a more detailed update about the progress of the individual deliverables in response to the recommendation relating to policies, procedures and guidance following the internal audit review of regulatory policy. This was reflected in the commentary included in the internal audit recommendations tracker and a further update on progress would be provided at the meeting in November 2024.

13.3. The Committee noted that the revised due date of 31 July 2024 for the response to the recommendation relating to CPD assessments from the internal audit review of partners had passed and it was unclear whether this had been completed. It was also queried whether the revised due date for the recommendation following the review of education standards should be the final quarter of 2024-25 rather than 2023-24, which had passed.

Actions: The Compliance Officer would follow up with those responsible for the response to the recommendations and ensure that the dates were updated in the next report.

14. Committee forward plan

14.1. The Committee noted the updated forward plan for 2024.

15. Resolution to move the meeting to private session

15.1. The Committee resolved that the remainder of the meeting would be held in private because the matters being discussed related to:

- matters which, in the opinion of the Chair, were confidential or the public disclosure of which would prejudice the effective discharge of the Committee's or Council's functions;

- the terms of, or expenditure under, a tender or contract for the purchase or supply of goods or services in the case of items 24 and 25.

The meeting was briefly adjourned.

Audit and Risk Assurance Committee 13 November 2024   Page 7 of 7
Draft public minutes of the Audit and Risk Assurance
Committee meeting on 18 September 2024