Audit and Risk Assurance Committee, 10 November 2021

Internal and External audit recommendations tracker

Executive summary

This report provides the Committee with progress updates on the implementation of recommendations arising from Internal and External audits. In addition, any significant Quality Assurance recommendations and recommendations arising from ISO standard audits will be added.

Recommendations which have been implemented have been removed from this report. The original numbering of recommendations has been retained.

Decision

The Committee is requested to note the paper.

Background information

Please refer to individual internal audit reports for the background to recommendations.

Date of paper

3 November 2021

Internal Audit report – Risk Managment (considered at Audit and Risk Assurance Committee 16 September 2021)

Recommendations summary

Priority		Outstanding recommendations	Status	
High		0	Overdue	0
Medium		2	Not yet due	1
Low		0	Completed	1

For the related **Audit Findings** See Appendix 1 or **[PRESS]**

	Recommendation / Priority (RAG)	Management response	Timescale/Responsibility	Completion Date/Status	Current Commentary	Commentary log
1	**Key Risk Area 1: Risk framework design** **1.1 Policies and guidance** We recommend the one-page and full policy documentation should be: • Either encompass one document containing strategic and operational risk management policies and procedures, or at least signpost to each other's policy and guidance documentation; • reference how to think about the risks and conduct risk management in areas where managers are deciding upon suppliers and partners, business cases, business planning and projects should be referenced in the full and signposted in the one-pager guide; • require project risks to use the same assessment method and format.	**Action**: New projects commencing from now will use a new risk framework based on the new operational risk register, however, PM activities require an enhanced level of detail which will be additional to the regular operational risk register format. Existing projects will not be updated to the new format. **CISRO to** • liaise with Head of Projects to implement the new approach to risk registers for the project risk registers. • Update the risk management policy to be an all-in-one document covering strategic risk as well as operational risk and a section on risk in selecting suppliers and business cases. The HCPC has recently developed a new business case template and consideration of risk will be made more explicit.	CISRO by end of 2021		Format changes being testing in the Strategic Risk Register. Confirmation if changes to be retained will result in further updates to the documentation. Existing documentation for the Operational Risk Register is with the Head of Projects / Improvement.	N/A

| 2 | Key Risk Area 1: Risk framework design

1.2 Consistent risk management integration across the business

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. | **Action:** 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 | Head of Governance

Discussion to be held in September. Next meeting in November would determine if action is closed or not. | | 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. | N/A |

Internal Audit report – Financial Modelling (considered at Audit and Risk Assurance Committee 16 September 2021)

Recommendations summary

Priority		Outstanding recommendations	Status	
High		4	Overdue	0
Medium		6	Not yet due	5
Low		0	Completed	5

For the related **Audit Findings** See Appendix 1 or **[PRESS]**

	Recommendation / Priority (RAG)	Management response	Timescale/Responsibility	Completion Date/Status	Current Commentary	Commentary log
1	**Key Risk Area 1: Financial modelling spreadsheets are supported by detailed guidance** HCPC should prepare a detailed guidance / technical document for the Budget Costs Model, in the same way as prepared for the Income Model. The preparation of this document should support the already existing flow charts within the model itself, and focus on how the model technically operates. This will support ensuring that the Business Central system performs the same functions (as these will be documented and so can be checked) and, in the event to delays to the implementation of Business Central's functions in this area, support the ongoing operation of the model if needed.	The instructions tab was part of the design of the budget costs model as it was intended as a short-term reporting fix until the variance analysis could be built-into the financial accounting systems. It was the intention that the budget reporting function within the Business Central system could be used as part of the consolidation of finance systems. If the financial accounting systems have not got the required functionality by the end of the 21-22 financial year, then we will need to assess the validity of using the model. **Action:** Recommendation to be reviewed in Q4 FY21/22 in light of progress on systems developments.	Head of Finance Feb 2022 revised completion date: March 2022	revised completion date: March 2022	Requirements for Business Central are being reviewed on a first princples basis which includes uncoupling from the registration system. The HoF will continue to take this work forward when they start in January but completion date is likely to be March 2022	N/A

2	**Key Risk Area 2: Spreadsheets errors and formulae consistency** HCPC should update and make corrections to the Income Model as identified from our technical review.	The Income Model reviewed was a working prototype that had not completed testing. Development of the model was stopped as the development and testing resources were diverted to resolving operational issues. Initial testing of the WIP model indicated that it could produce forecasts with an acceptable degree of accuracy for budgeting. **Action:** When appointed the Head of Finance will review the priorities for finance department improvements.	Head of Finance Feb 2022 revised completion date: March 2022	revised completion date: March 2022	The Head of Finance is due to start in early Jan. This action will be a priority. In view of the start date it is proposed completion is pushed back to March 2022.	N/A
3	**Key Risk Area 3: Methods and approach to identifying and allocating costs within the Cost Model** HCPC should develop and introduce a costs forecasting model which estimates its costs into future years. This model should be designed to complement the Income Model and set out key assumptions and variables, each of which can be independently configured. Each year a financial planning exercise should be undertaken where both the income and costs models are updated with their latest assumptions with the outputs presented to Council for review. These should also be subjected to sensitivity analysis / stress testing so that HCPC can identify which variables have the greatest impact on the organisation's financial health.	The recommendations are outside the design scope of the budget cost model. The development of a robust cost model, particularly for FTP, is a priority given that FTP cases can take a few years to conclude. **Action:** The Exec Director of Corporate Services, when appointed will need to review the complete budgeting process.	Exec Director of Corporate Services Dec 2021 revised completion date: March 2022	revised completion date: March 2022	A new Executive Director of Resources and Business Performance has been appointed and is due to start in early January. With this appointment and other resource pressures in the Finance team it is proposed the completion date for this is pushed back to March 2022	N/A

4	**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.	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. The planning assumptions will be submitted to ELT for approval, with a particular focus on the 'leaf of faith' assumptions such as fee increase. **Action:** Working Group has been established	Head of Governance		Completed - as indicated in the report	N/A
5	**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.	see above	Head of Governance		Completed - as indicated in the report	N/A
6	**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.	see above	Head of Governance		Completed - as indicated in the report	N/A
7	**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.	A working group has been established to review the assumptions and processes for registrant number assumptions. **Action**: Working Group has been established	Head of Governance		Completed - as indicated in the report	N/A

8	**Key Risk Area 5: Inflationary assumptions are appropriate and represent a fair estimate of increases and decreases to key variables** HCPC should model a modest fee increase within the Income Model to aid the model more accurately predict income. This can either be estimated using an agreed inflationary assumption (accepting that HCPC's fee rules do not use this) or by modelling a flat increase after a certain period of time (for example every five years).	The income model was designed to model specific fee scenarios being proposed. It is a priority for Council to have a Fee Strategy in place and this requirement is linked to delivering the understanding of the impact of Fee Increase Options. **Action:** Continue to develop and refine the Options Analysis function.	Head of Finance March 2022		When ELT develop the fee increase proposals, the specific scenarios will be modelled to evaluate the financial impact of each scenario.	N/A
9	**Key Risk Area 6: Financial model updates timely and accurate** The way in which data is exported from the new Business Central system should be assessed in the context of obtaining information in a format capable of easy uploading into the Income Model to keep its information as up-to-date as possible. Where a technical solution is being developed, an interim process should be introduced to facilitate keeping the Income Model updated with live performance data. A consistent approach should be decided upon, documented and then followed to resume the practice of updating the Income Model on a monthly basis.	The Income model was built prior to the new Registration System go-live and therefore was built to accept NetRegulate data. The development of the Registration System export / model input routines need to be completed. **Action:** Aligned to completing the model development.	Head of Finance Feb 2022 revised completion date: March 2022	revised completion date: March 2022	See (1) above Requirements for Business Central are being reviewed on a first princples basis which includes uncoupling from the registration system. The HoF will continue to take this work forward when they start in January but completion date is likely to be March 2022	N/A
10	**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.	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. **Action:** Working Group has been established	Head of Governance		Completed - as indicated in the report	N/A

Internal Audit report – Payroll (considered at Audit and Risk Assurance Committee 11 June 2021)

Recommendations summary

Priority		Outstanding recommendations	Status		
High		0	Overdue	1	
Medium		0	Not yet due	0	
Low		1	Completed	0	

For the related **Audit Findings** See Appendix 1 or **[PRESS]**

	Recommendation / Priority (RAG)	Management response	Timescale/Responsibility	Completion Date/Status	Current Commentary	Commentary log
1	**Key Risk Area 1: Payroll policies and procedures** HCPC should formalise the Finance related payroll processing activities in a documented procedure, which can align with the payroll manual and be referred to by both current and future Finance staff.	To produce a payroll processing manual to formalise and document the actions the Finance Dept has to take to process payroll.	**Completion date:** 30 June 2021 Interim Head of Finance & Financial Control Manager	On hold until January 2022	An interim Financial Control Manager (FCM) has been appointed. The FCM has taken on the reponsibility of the finance related payroll processing activities. They are documenting the processes as part of the taking responsibility for the delivery of the processes. These will be ready for the HoF to review when they start on 4th Jan 2022.	Commentary History See Appendix 2 or **[PRESS]**

Internal Audit report – HCPC Intelligence Gathering (considered at Audit and Risk Assurance Committee 10 March 2021)

Recommendations summary

Priority	Outstanding recommendations		Status	
High	9		Overdue	0
Medium	4		Not yet due	2
Low	0		Completed	9
			Closed	2

For the related **Audit Findings** See Appendix 1 or

[PRESS]

	Recommendation / Priority (RAG)	Management response	Timescale/Responsibility	Completion Date/Status	Current Commentary	Commentary log
1	**Key Risk Area 1: Strategy and Governance 1.1 Strategic direction and organisational design** Ownership for individual datasets and the 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	Individual dataset ownership and related roles & responsibilities will be defined as part of the creation of a data governance framework.	Completion date: Q2/Q3 Head of Governance		We currently hold an agreed list of data owners as part of our ISO27001 compliance documentation. The insight and intelligence framework was approved by Council in September. It made it clear that the insight and intelligence staff are users of the data and not owners of the datasets. CISRO - Data quality issues will be addressed during system migrations and by training of employees. Systematic reviews of data quality will be made by reporting teams, and errors flagged will be addressed by data or asset owners.	Commentary History See Appendix 2 or **[PRESS]**
2	**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.	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.	Completion date: Q2/Q3 ED Professional Practice & Insight		The insight and intelligence framework was approved by Council in September. The Head of Insight and Analytics has been recruited and started on 1 Nov. He has ownership of the insight and intelligence end to end process and reports into ED Professional Practice & Insight. The Head of I&A is responsible for delivering our insight and analytics work in accordance with the Insight and Intelligence Framework approved by Council in September 2021 As part of recent Council recruitment we have been seeking a Council member with data skills. Data skills has also been added to the Council Member skills matrix. We do not intend to assign a lead at Council level	Commentary History See Appendix 2 or **[PRESS]**

3	**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.	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.	Completion date: End of Q4 Director - Digital Transformation / ED Professional Practice & Insight		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.	Commentary History See Appendix 2 or **[PRESS]**
4	**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. Some data may be available 'self-service' and other will need analysis work.	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	Completion date: End of Q4 2021 Director - Digital Transformation / ED Professional Practice & Insight		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.	Commentary History See Appendix 2 or **[PRESS]**

5	**Key Risk Area 2: Data gathering and assimilation – range of coverage** **2.1 Approach to data gathering** 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.	Will be addressed as part of the project and ongoing data governance frameworks	Completion date: Q2/Q3 Head of Governance		An example of how we are considering the cost to registrants is that in order to minimise burden, registrant EDI data already collected by HCPC is being migrated into the renewal system to avoid registrants providing their data to us twice. We are clear that the collection of this data is required in order to carry out essential EDI analysis and inform our approach to EDI going forward. CISRO - EDI data is being transferred from an existing secure data store, to be stored within a secured part of the registration CRM system where it can be maintained by registrants.
6	**Key Risk Area 2: Data gathering and assimilation – range of coverage** **2.1 Approach to data gathering** 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.	Will be addressed as part of the project and ongoing data governance frameworks	Completion date: Q3/Q4 Head of Governance / ED Professional Practice & Insight		Council approved the Insight & Intelligence Framework which sets out how we will capture intelligence and insights. This includes both quantitative analysis (such as EDI data analysis) and qualitative analysis (such as our stakeholder perceptions survey). Some examples of how we are including consideration of strategic data requirements in the design of systems is that registrants will be able to keep their EDI data up to date when they renew from Q3 (December 2021). This data will be captured at the point of first registration through the new online application process for International Applicants in Q4 (February 2022) and for UK Applicants in Q1 (May 2022). EDI data capture for FTP complainants is scheduled to be captured as part of phase 2 of the Nexus development.

The commentary column for both rows reads: Commentary History See Appendix 2 or **[PRESS]**

7	**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-to-day stakeholder engagement and for the capturing of data for insight and intelligence purposes.	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.	Completion date: tbc Director - Digital Transformation / ED Professional Practice & Insight		Stakeholder mapping and an engagement approach has been agreed and is now being implemented. To support this a 'Onenote' intelligence system is being developed for rollout alongside the assigning of relationship managers to key HCPC stakeholders such as professional bodies - allowing us to capture share and escalate key information and stakeholder insights. This is an good interim measure to help develop our approach and requirements for a CRM. It is a lean approach, with zero additional cost. It is also self-service so that the burden of administrative overheads is minimised.	Commentary History See Appendix 2 or **[PRESS]**
8	**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 capture standards and processes so that its data, intelligence and insights capture is readily assimilated, complete and accurate.	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.	Completion date: Q4 ED Professional Practice & Insight		Same as above (7) - Stakeholder mapping and an engagement plan has been agreed and is now being implemented. To support this a 'Onenote' intelligence system is being developed for rollout alongside the assigning of relationship managers to key HCPC stakeholders such as professional bodies - allowing us to capture share and escalate key information and stakeholder insights. This is an good interim measure to help develop our approach and requirements for a CRM. It is a lean approach, with zero additional cost. It is also self-service so that the burden of administrative overheads is minimised.	Commentary History See Appendix 2 or **[PRESS]**
9	**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.	We encourage the further development of data sharing between regulators and other institutions at an aggregate level.	Completion date: Q4 Head of Governance		We seek to share data where possible however there are regulatory restrictions as well as data protecton law restrictions Regulatroy reform aims to make routine data sharing between organisations easier but this requires legislative change.	Commentary History See Appendix 2 or **[PRESS]**

10	**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 assessed and set as the project progresses and address the risk of identifying registrants through the disaggregation of data when it is analysed.	Will be defined as part of the ongoing data governance framework	Completion date: Q4 Head of Governance	Closed/Not yet completed and not in immediate plans for completion.	The data platform is not within the Corporate plan for 2021-22. When initiated, there will be a data protection expert on the project board. This is not likely to happen in the near future and therefore this recommendation should be closed for the purposes of the Audit Tracker. As part of HCPCs project process data protection impact assessments are required at initiation.	Commentary History See Appendix 2 or **[PRESS]**
11	**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'..	Will be addressed as part of the project implementation and operating model	Completion date: Q4 Head of Governance	Closed/Not yet completed and not in immediate plans for completion.	The data platform is not within the Corporate plan for 2021-22. When initiated this requirement will be included in the scoping. This is not likely to happen in the near future and therefore this recommendation should be closed for the purposes of the Audit Tracker.	Commentary History See Appendix 2 or **[PRESS]**
12	**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.	Will be defined as part of the project and ongoing data governance frameworks	Completion date: Q4 ED Professional Practice & Insight		The Insight and Intelligence Framework sets out the key questions we will be exploring. Envisage that much of our analysis will be published externally. The new 'Onenote' intelligence capture system ensures escalation of key points and relevant insights to ELT on a monthly basis. This is a self-service solution that will allow access to live information and insights to relevant staff.	Commentary History See Appendix 2 or **[PRESS]**

13	Key Risk Area 4: Reporting and Delivering Regulatory Responses to Intelligence 4.3 Escalation and regulatory impact	Will be defined as part of the project and ongoing data governance frameworks	Completion date: Q4		Same as (12)	
	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 sharing, reporting and the coordination and tracking of regulatory responses to insights and intelligence:		ED Professional Practice & Insight / ED of Regulation		The Insight and Intelligence Framework sets out the key questions we will be exploring. Envisage that much of our analysis will be published externally.	**[PRESS]**
	a. A forum for the initial assessment of intelligence				The new 'Onenote' intelligence capture system ensures escalation of key points and relevant insights to ELT on a monthly basis. This is a self-service solution that will allow access to live information and insights to relevant staff.	
	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.					

Internal Audit report – IT Controls (considered at Audit Committee 17 September 2020)

Recommendations summary

Priority		Outstanding recommendations	Status		
High		0	Overdue	2	
Medium		1	On track	1	
Low		2	Completed	0	

For the related **Audit Findings** See Appendix 1 or

[PRESS]

	Recommendation / Priority (RAG)	Management response	Timescale/Responsibility	Completion Date/Status	Current Commentary	Commentary log
1	**Key Risk Area 1: The IT governance framework** **Key Risk Area 2: IT's support for the achievements of enterprise objectives** HCPC should develop and introduce a formal IT Governance framework which aligns with the Code of Corporate Governance. The aim of the framework should be: · To ensure that appropriate roles, responsibilities and accountabilities are established for data, system ownership, reporting and communications. This will build on the information which already forms part of the ISMS. · To report on IT Governance status and tracking of all IT Governance issues and remedial actions to closure; and · To define responsibility for key IT controls, particularly in respect of IT systems managed by business units. The IT governance framework should be reviewed periodically, and updated as needed.	The Digital Transformation has an ambitious agenda and roadmap, which means we already recognise that there is a need to develop a Governance model to support transformation activity and operations.	**Director of Digital Transformation** Q2 2021 (revised from Q1 2021)	On track	The new draft governance framework is currently being reviewed against COBIT framework, before being socialised with the wider organisation, in November.	Commentary History See Appendix 2 or **[PRESS]**

2	**Key Risk Area 3: Effectiveness and added business value of IT is demonstrated to both the business and IT executives** We recommend HCPC consider developing a more detailed set of KPIs to measure IT performance as a part of the digital agenda and in respect of best practice. Typical general examples for IT KPIs that could be used are as follows: - IT expense per employee - Support expense per user - IT expense as a % of total expense - The number of recurring problems. Furthermore, based on the new operation model specifics, HCPC should consider adopting ITIL Key Performance Indicators especially in the area of Service Design and Continual Service Improvement.	Review and revise KPIs against strategic imperatives and best practice.	**Head of IT and Projects** March 2021	require further review later in the year	Ownership upates to reflect the changings in the organisation structure with the new roles of Head of IT and DIgital transformation (Rick Welsby in an acting up role until the new head joins in January 2022. KPI's are currently reported and the PI remain in draft pending the review by the new Exectuive Director of Corporate Services - recommend a review follow-up in March 2022.	Commentary History See Appendix 2 or **[PRESS]**
3	**Key Risk Area 3: Effectiveness and added business value of IT is demonstrated to both the business and IT executives** When processes and IT systems are being reviewed and updated as part of transformation, it is important to ensure that the proportionality of controls is kept as a critical success factor in the delivery of new systems.	Review and revise KPIs against strategic imperatives and best practice.	**Head of IT and Projects** March 2021	require further review later in the year	Ownership upates to reflect the changings in the organisation structure with the new roles of Head of IT and DIgital transformation (Rick Welsby in an acting up role until the new head joins in January 2022. KPI's are currently reported and the PI remain in draft pending the review by the new Exectuive Director of Corporate Services - recommend a review follow-up in March 2022.	Commentary History See Appendix 2 or **[PRESS]**

Internal Audit report – Business Continuity Planning (considered at Audit Committee 4 March 2020)

Recommendations summary

Priority		Outstanding recommendations	Status		
High		0	Overdue	0	
Medium		2	In Progress	2	
Low		0	Completed	0	

	Recommendation / Priority (RAG)	Management response	Timescale/Responsibility	Completion Date/Status	Current Commentary	Commentary log
6	**Key Risk Area 5: Business continuity testing** HCPC should address identified gaps in the current BCP and schedule another planned BCP test to ensure that updated areas are working effectively.	A further test will be carried out in the next Financial year COVID-19 response (essentially a major interruption to normal business operations negates any immediate requirement for BCP testing) March – June 2020.	CISRO 31/03/2020 NEW TARGET DATE:Dec 2021	In Progress	Further users are being tested on ShadowPlanner, and a test arranged when it will not interrupt normal business flows.	Commentary History See Appendix 2 or **[PRESS]**

Internal Audit report – Follow up Audit - Business Continuity Planning (considered at Audit and Risk Assurance Committee 11 June 2021)

	Recommendation / Priority (RAG)	Management response	Timescale/Responsibility	Completion Date/Status	Current Commentary	Commentary log
9	HCPC should refresh Shadow Planner app training at least annually for users and could consider developing training and guidance to ensure a continued knowledge and awareness of the app. **June 2021 - BDO's assessment of implementation during follow up audit:** Standalone generic BCM / DR training is still being developed ahead of being provided to SMT, Business system owners and Heads of department.	**Original Management Response:** ShadowPlanner 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. **Updated Management Response as at June 2021:** A training session with ShadowPlanner over Teams will be organised, or potentially an office based BCM exercise. However it must be remembered that the organisation is still operating under BCM conditions. The long term future of DR/BCM practises are being reviewed this financial year.	CISRO 31/03/2020 NEW TARGET DATE: Dec 2021	In Progress	Scenarios ready, not specifically around IT issues. Date will not be announced before hand to ensure realism of test.	Commentary History See Appendix 2 or **[PRESS]**

Appendix 1 - Audit Findings (nb positive findings not listed)

Risk Management		
Key Risk Area 1: Risk framework design **1.1 Policies and guidance**	• There is an operational risk policy and a separate strategic risk policy. While it is helpful to direct staff to the relevant guidance for them to avoid confusion, they are part of the same risk framework and there is a small risk of confusion, therefore, where there are a number of documents in play relaying similar information. • The summary operational risks policy document – the guide to risk owners – makes little reference to how to think and apply risk management in situations where managers are deciding upon suppliers and partners, business cases and business planning, and projects. Other guides relating to those policies may give more detail regarding risk considerations, but where these are not signposted within the one-pager guide not specific references made. Incorporation of these aspects of managing risk in the guidance will help to integrate risk management processes in. • Project risks currently use the previous methodology for risk management and thus there is a disconnect between project risks and those risk assessments undertaken against the rest of the organisation. • Further minor observations of how the full guide can be strengthened can be found in Appendix A of the audit report.	To return to the main Summary and Tracker Scroll up or **[PRESS]**
Key Risk Area 1: Risk framework design **1.2 Consistent risk management integration across the business**	• ARAC do not undertake reviews of operational risks as a matter of routine. To do this across all risks for each ARAC would be a significant undertaking and diminish ARAC's effectiveness, but deep dives on specific departments of strategic risk themes would strengthen oversight, governance and assurance on the operational risk management process itself. • The review of operational risks is not a standing agenda item at departmental level team meetings. There is a risk where risks are not diarised and regularly considered the process does not remain 'live' and is not used as a key tool for heads' evaluation of performance and the progress in making changes.	To return to the main Summary and Tracker Scroll up or **[PRESS]**

Appendix 1 - Audit Findings (nb positive findings not listed)

Financial Modelling		
Key Risk Area 1: Financial modelling spreadsheets are supported by detailed guidance	Unlike the Income Model, the Budget Costs Model is not supported by a narrative document setting out how to use the model, but more crucially, how the model functions from a technical perspective. This creates a risk that should existing staff, who are familiar with its design and operation, leave the business, knowledge of how to prepare inputs, maintain the model, and produce outputs could be lost.	To return to the main Summary and Tracker Scroll up or **[PRESS]**
Key Risk Area 2: Spreadsheets errors and formulae consistency	There were some areas following technical review of the Income Model where discrepancies within the model itself could give rise to non-material differences in calculations. Specifically: a. Readmission fees for arts therapists are recorded as "AT" within the 'Assumps_Financials' tab, while the code on the 'Assumps_Main' tab is "AS". As a result, readmission fees are not picked up on 'Engine_Reports' calculations b. UK scrutiny fees for paramedics are not detected because the code on the 'Assumps_Financials' tab is recorded as "PA " (i.e. with a space at the end). As a result, scrutiny fees for paramedics are not picked up on 'Engine_Rports' calculations for active profession c. In respect on UK scrutiny fees, the first three occupations (CS, AS, CH) are listed in a different order to the other fee categories (readmission fees and international scrutiny fees). While we have no reason to believe there is any error here, but inconsistent ordering presents a low-level risk of error to the accuracy of the model We also noted the following areas where minor enhancements could be made to the model: a. Add a table of total registrant numbers to reconcile against totals from 'Assumps_RegNums' tab. This will help internally check that information has been carried through the model correctly. b. There is an inconsistent date format on the graphs at the bottom of the worksheet which could cause confusion. c. A check should be developed in the spreadsheet to automatically check that seasonality factors (where assumptions are made about when, during the calendar year, registrants are added) add up to 100%.	To return to the main Summary and Tracker Scroll up or **[PRESS]**
Key Risk Area 3: Methods and approach to identifying and allocating costs within the Cost Model	While HCPC has a Budget Costs Model which is used to monitor performance against budget for the current financial year, HCPC does not currently have an operating costs model to forecast and inflate costs into future years. By only projecting its income forwards using inflationary and operational assumptions, HCPC does not have a complete picture of the organisation's financial health as if costs were estimated to increase at a higher rate than income, there would come a time where HCPC's income would not be sufficient to cover its operational costs.	To return to the main Summary and Tracker Scroll up or **[PRESS]**

Key Risk Area 4: Income assumptions are reasonable and supported by detailed workings and independent approvals	· There are other assumptions within the model and these are set out as percentages of changes in registrants, or those who either re-admit, miss their admissions windows and pay using Direct Debits. These assumed levels are stated as percentages of registrant numbers and are set at the same level for all professions. This indicates that they are unlikely to have been set based on analysis of actual behaviours observed from different professions. · We were also unable to verify the sources of these assumptions as original records to support them have not been retained. We were also informed that these original assumptions had not been independently reviewed or authorised prior to upload into the model.	
Key Risk Area 5: Inflationary assumptions are appropriate and represent a fair estimate of increases and decreases to key variables	The Income Model projects registrant numbers into the future. We compared the October model's assumptions of the total number of UK registrants as at 1 April 2021 (the last time the model was updated with live information) to a report showing actual registrant numbers as at that date to compare figures as a way of assessing how well the model predicts changes. We found that, for a sample of five professions, the model's predictions ranged from -11% to +6.5% from actual numbers. When compared against total UK registrant numbers the model predicted a total of 276k registrants compared to an actual figure of £258k as at April 2021. This indicates that inflationary assumptions relating to registrant numbers are not set correctly within the model. The table below sets out our testing. Where the model inaccurately forecasts future registrant numbers there is a risk that income figures (which derive from registrant numbers) are overstated. | Profession	Total UK registrants within model as projected at 1 April 2021	Total UK registrants as at 1 April 2021	% difference
---	---	---	---
Clinical Scientists	6,235	5,862	-6.0%
Dietitian	9,662	8,907	-7.8%
Paramedics	29,027	30,914	+6.5%
Radiographers	34,737	30,851	-11.2%
Arts Therapists	4,511	4,637	+2.8%
Total registrants	275,766	258,468	-6.3% | · While HCPC has taken a prudent approach to not inflating its fees within the Income Model, and while HCPC does not have direct control over all of its fees, this is nonetheless unlikely to accurately reflect HCPC's fees over the coming years. Indeed we understand that HCPC will be increasing its fees from 1 July 2021. If all other variables have been accurately modelled this could result in HCPC's income being understated within the Income Model. · Similar to main inputs for the Income Model (see Key Risk Area 4 above) Inflationary assumptions are not subject to an independent review / approval prior to being uploaded into the Income Model.	

Key Risk Area 6: Financial model updates timely and accurate	· We were informed that an emerging issue with the move from Net Regulate to Business Central is that the Income Model has been designed to receive data in a format exported from the old Net Regulate system. The new systems export data reports on registrants and fees in a different way, and these are expected to require some manual manipulation prior to being in a format that can be readily uploaded into the model. This creates additional risks that data inputs into the model contain errors. · As a result, the Income Model has not been updated with actual registrations or income data since the move away from Net Regulate in October 2020. The Income Model therefore does not give a currently accurate picture of registrant numbers, nor does it set out the anticipated fee increase from July 2021 onwards. Without an accurate picture of HCPC's future income there are risks and challenges associated with having a clear picture over the organisation's financial health.	 **[PRESS]**
Key Risk Area 8: Model assumptions reflecting analysis of actual performance	· As part of good practice processes relating to financial models, it is common to conduct an annual review comparing income or cost models' original projections for the year against the year's actual performance. By conducting a variance analysis exercise an organisation can determine whether the models' inupts or assumptions (or a combination of both) gave rise to the year-end difference. This can then help to target iterative improvements to models so that they produce more accurate forecasts going forward. HCPC does not currently conduct an annual exercise comparing income projections at the start of the year with actual performance as a way of constantly improving the accuracy of the Income Model. As a result the assumptions in the income model are not tested on a regular basis so errors inaccuracies in assumptions will be carried forward.	 **[PRESS]**

Appendix 1 - Audit Findings (nb positive findings not listed)

Payroll		
Key Risk Area 1: Payroll policies and procedures	The PG200 (Council Members') payroll process is not documented in any payroll procedures or policies held by HCPC. This payroll is processed by Finance, and HR Ops are not involved with the processing of this. The process is known to the Financial Control Manager and the Financial Accountant, however the HCPC staff interviewed noted there was no documented procedure for the monthly work carried out by Finance. While we found now issues with our wider compliance testing in this area, the risk is that the monthly payroll process may not be processed correctly as there is no reference documentation to refer to.	To return to the main Summary and Tracker Scroll up or **[PRESS]**

Appendix 1 - Audit Findings (nb positive findings not listed)

Intelligence Gathering		
Key Risk Area 1: Strategy and Governance **1.1 Strategic direction and organisational design**	· Data is held currently in 'siloes' and its creation and analysis into intelligence tends to be localised. It is not clear on the responsibility and accountability for data once it goes into the live data platform (lake), including responsibility over data accuracy and ensuring any data modification or assumptions built into data are clear and mutually agreed and understood. · Linked to silo working is the cultural aspects of taking responsibility for data - the propensity for being open to share it. Given our experience in other regulators, it is likely that there will be some resistance to sharing data and challenge over the ownership of data going forward. This particularly applies where activities shift from local frontline teams such as registration and FtP to an insights and intelligence team. · HCPC needs to consider who "owns" and oversees the intelligence process end-to-end. There are and will be several parties involved in the end-to-end process. A single SMT member or committee oversight and authority is required to provide a coherent authority and oversight over the end-to-end process. For example, deciding and agreeing on priority areas for seeking deeper insight and the priorities for data collection to support that insight. A new executive director is being appointed for insights and intelligence and should fulfil this role, with the right authority to own and drive the end-to-end process. HCPC would also be beneficial if Council has a representative for data and intelligence – to provide the necessary expertise to act as a critical friend.	To return to the main Summary and Tracker Scroll up or **[PRESS]**
Key Risk Area 1: Strategy and Governance **1.2 Data strategy – data platform approach**	· There are virtually endless possibilities as to what can be learned from interrogating an intelligence model or platform. Thus, there needs to be clarity on the questions that the process needs to be asked/answers sought and the key, strategic priorities for HCPC's analysis work. We suggest that HCPC start by prioritising intelligence gathering and analysis relating to core business objectives and risks, ensuring quick-wins and demonstrable improvements to regulation. · Given that HCPC has invested in new FtP and registration systems, it is important that the data analysis tools built in to these systems are utilised and not replicated in the intelligence and insights work. As the systems are new, they will have many more capabilities for data analysis than their predecessors. HCPC are conscious of this point, but it needs to kept in view.	To return to the main Summary and Tracker Scroll up or **[PRESS]**
Key Risk Area 2: Data gathering and assimilation – range of coverage **2.1 Approach to data gathering**	· Care needs to be taken to avoid asking registrants for significantly more information about themselves as part of their normal interactions with HCPC. Increasing the number of data fields required of registrants might enrich HCPC's data platform but could easily degrade the relationship with the registrant, unless the information is clearly and demonstrably justifiable. Information requirements need to be thought about carefully and established in a coordinated way, with a clear business case and clear benefits realisation. · Emphasis is being placed on 'hard' data, but it is 'soft' data which gives the fully rounded picture about the area, group or person subject to regulation. Capture for this is not routine and mechanisms needs to set up to do record this data.	To return to the main Summary and Tracker Scroll up or **[PRESS]**

Key Risk Area 2: Data gathering and assimilation – range of coverage **2.2 Data sets captured**	· There is a known lack of formal data capture and retention mechanisms for some datasets that would be used for some day-to-day operations and for intelligence-gathering purposes. There is no formal single CRM system to manage media matters identified (other than direct referrals to FtP, which are picked up in the FtP referral process), stakeholder engagement activities, including stakeholders such as the professional bodies, education institutes, registrants' employers, other industry players such as the Department of Health and other regulators. Information can be in the form of recording of direct interaction with those organisations, newsfeeds and social media intelligence. The lack of a CRM system limits the effectiveness of HCPC's day-to-day interaction with those bodies and also means that data is not being captured systematically to enable intelligence gathering. It is the cross referencing of data, often soft data, from stakeholders that can give the most insight. · Website tracking occurs but it is not as sophisticated as other organisations currently. The basic analytics on website usage are there but it is not clear who is using the site. The Comms team are aware of the need for more tracking and personalisation. It is in their plans to improve.	To return to the main Summary and Tracker Scroll up or **[PRESS]**
Key Risk Area 2: Data gathering and assimilation – range of coverage **2.3 Engagement with other bodies**	· There needs to be clarity on who leads the relationship with stakeholders and the inputting of correspondence, intelligence and interactions with them into HCPC systems. Otherwise, there is a risk that the process for drawing intelligence and insight from these new interactions and sources could be patchy in quality, relevance and timeliness. · We noted that currently, referrals from/to other regulators are mainly registrant led, or registrant specific if shared regulator to regulator. Professionals making referrals about fellow professionals registered with HCPC or others should always be encouraged, but is not a substitute for strategic data sharing across regulatory bodies. This is because the broader insights are more likely to be seen at this strategic level.	To return to the main Summary and Tracker Scroll up or **[PRESS]**
Key Risk Area 3: Storage and analysis **3.2 Information security & governance**	· HCPC need assurance that security by design principles have been applied in practice. We noted that the Head of Information Governance has not been heavily involved in the development of the data platform. In our experience in other organisations, there is a risk that product developers and product owners do not take full cognisance of information security and governance, as their focus and knowledge is centred on the usability of the product. This can leave the finished products lacking in the necessary data governance requirements or lead to expensive project delays, back-tracking or unnecessary change control mid-project. · Consideration will need to be given to the access rights of the data platform going forward as new users and new uses are identified. For example, we have seen a particular risk concerning such systems in other regulators. This is where aggregated information, once 'sliced and diced' for analysis purposes, can easily identify individual registrants. Protocols will need to be in place where such analysed data to avoid the inadvertent identification of registrants, particularly where the data is provided for more general consumption in HCPC and especially if shared externally.	To return to the main Summary and Tracker Scroll up or **[PRESS]**
Key Risk Area 3: Storage and analysis **3.3 Culture and skills to maximise benefits of the platform**	· The power of such systems is reliant on having the right skills, culture and appetite to use them. Getting the most out of the data platform and associated reporting tools will require training. Using the more sophisticated tools planned for Phase 3, machine learning, will require a new level of skill and approach. It will be important that the development of the tools for drawing insights and intelligence will require a change in skillsets, wider changes in the regulatory approach and mind-set. Upstream regulation requires new skills, and a shift from transactional activities to analytical approaches. · The appointment of an insights and intelligence manager provides the initial capacity and capability to maximise the opportunity from the development of HCPC's intelligence and insights work. However, each department needs to upskill and have clear ownership of its data, its insights and intelligence needs and act as the interface between the central insights team and those departments. In our experience, there is a risk that 'data and intelligence' is perceived as someone else's responsibility. Likewise, in the current stage of the programme, it is going to be important that there is good engagement across HCPC with the early work using the data platform. Getting that initial involvement in building useful reports will create buy-in and provide credibility about the data platform amongst HCPC colleagues in general.	To return to the main Summary and Tracker Scroll up or **[PRESS]**

Key Risk Area 4: Reporting and Delivering Regulatory Responses to Intelligence 4.2 Vision for future reporting	· There needs to be clarity on what is reported to when and how often. Clarity on what is required and to whom is critical to understand in order to prioritise the 'must have', 'should have' and 'could haves'. Levels of detail, report uses and their benefit to HCPC's strategy and operating requirements are key. Such an evaluation framework will be required as the delivery of the intelligence service is developed and when it becomes part of routine practices.	To return to the main Summary and Tracker Scroll up or [PRESS]
Key Risk Area 4: Reporting and Delivering Regulatory Responses to Intelligence 4.3 Escalation and regulatory impact	· It is clear that there lacks a structure and clarity so far on the ownership of cross departmental responses to intelligence learning and developing and instigating a regulatory response. The governance and responsibility needs to be made clearer. We see this as a critical part of the intelligence and insight end-to-end process. · More specifically, there is no forum for drawing in, evaluating intelligence and insights and deciding on the best regulatory response to the intelligence or whether to respond at all. SMT are currently the custodians of this, but in our experience in other organisations, the time taken to review and the frequency of reviewing intelligence means that SMT is unlikely to be the most efficient forum to respond. An intelligence group should be set up to review cases and emerging insights, to propose responses, monitoring progress against previously-identified insights and intelligence, recommending to SMT the course of action for new items. Such a group should have delegated authority to make key decisions and also have the function of triaging matters that are presented to them for decision, so they are most relevant to regulatory priorities, include ensuring alignment to the PSA's requirements and HCPC's risks and risk appetite. · Success of the regulatory intervention needs to be tracked to ascertain its impact. The design of the intervention needs to build in the means by which the intervention's implementation and impact is measured.	To return to the main Summary and Tracker Scroll up or [PRESS]

Appendix 1 - Audit Findings (nb positive findings not listed)

IT Controls		
Key Risk Area 1: The IT governance framework	We reviewed the Code of Governance with the supporting documents and noted that certain aspects of IT governance are not incorporated in this framework, such as regulatory requirements and organisational structures. We understand that current IT governance practices are mainly organised around the Senior Management Team (SMT). Depending on the issue, IT related topics are also discussed at the Council level. The evaluation and monitoring of IT projects are considered by the Project Management team. Although all these practices could be considered as set of IT governance work-streams, there is no comprehensive and consistent IT governance structure and processes which will: - Ensure alignment with organisational governance. - Control the information technology environment through the implementation of good practices. - Clearly distinguish management and governance responsibilities. · The fundamental consequences related to lack of clearly defined IT governance are: - IT and the IT controls may not be fully aligned to the business needs and - The absence of direction in IT investment decisions. · Furthermore, in HCPC's IT environment, where some IT systems are managed by business units, preserving of the current IT Governance practices will be a risk to the digital transformation, due to lack of formally defined processes to monitor, evaluate and direct IT.	To return to the main Summary and Tracker Scroll up or **[PRESS]**
& **Key Risk Area 2: IT's support for the achievements of enterprise objectives**	Given the new digital strategy anchors the planned digital transformation and that all other governance building blocks are influenced by it, in recommendation 1 we included a set of improvements that will mitigate the typical risks related to strategy development.	
Key Risk Area 3: Effectiveness and added business value of IT is demonstrated to both the business and IT executives	Whilst performance statistics are used as noted above, we identified that other operational Key Performance Indicators (KPIs) have not been developed to assist with the monitoring of IT value. Measuring IT is essential for good IT governance. In addition, HCPC, in the context of the digital transformation, need a pragmatic approach to monitoring the effectiveness of IT to enable them to adjust their program and assist with decisions on IT investment. Senior management would benefit from IT performance reports based on more detailed KPIs.	To return to the main Summary and Tracker Scroll up or **[PRESS]**

Appendix 1 - Audit Findings (nb positive findings not listed)

Business continuity		
Key Risk Area 5: Business continuity testing	·Given that we have identified some gaps in current BCP arrangements at HCPC (see KRA 1-4), BCP arrangements will need to be tested to ensure that these areas are working effectively.	To return to the main Summary and Tracker Scroll up or **[PRESS]**

Appendix 2 - Commentary History - a log of the last 4 Audit and Risk Assurance Committee updates

	Payroll review	Sep-21	Jun-21	Mar-21	Nov-20	
1	**Key Risk Area 1: Payroll policies and procedures** **HCPC should formalise the Finance related payroll processing activities in a documented procedure, which can align with the payroll manual and be referred to by both current and future Finance staff.**	The HoF and FCM roles are both vacant at the moment. The HoF has been appointed and is scheduled to start on 4 Jan 2022. This task will be on the HoF priority task for when they commence.	N/A	N/A	N/A	To return to the main Summary and Tracker Scroll up or **[PRESS]**

Appendix 2 - Commentary History - a log of the last 4 Audit and Risk Assurance Committee updates

	Intelligence Gathering review	Sep-21	Jun-21	Mar-21	Nov-20	Sep-20
1	**Key Risk Area 1: Strategy and Governance** **1.1 Strategic direction and organisational design** Ownership for individual datasets and the 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	We currently hold an agreed list of data owners as part of our ISO27001 compliance documentation.	Data Platform Project current paused whilst budget prioritisation occurs. It is anticiapted that Data Governance etc will be addressed as part of Information Governance once responsibilities are confirmed.	N/A	N/A	To return to the main Summary and Tracker Scroll up or **[PRESS]**
2	**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.	Insight & Intelligence Manager has left HCPC on the 6th August. A draft Insight and Intelligence framework has been developed, this will be picked up by the new Head of Insight and Analytics. Following approval of budgets at Council on 1 July and at the time of this update, we are now part way through the recruitment process for a new Head of insight and analytics with the advert closing on 16 August 2021.	I&I manager update: development of the insight and intelligence strategy and framework is ongoing and should be completed by Q3.	N/A	N/A	To return to the main Summary and Tracker Scroll up or **[PRESS]**
3	**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.	The budget is not available in the current financial year to move the data platform project forward. This will be reviewed for the forthcoming financial year. In the meantime internal development work has been continuing e.g development of use cases.	I&I manager update: submitted sample use cases for the new data platform to Neil Cuthbertson (ED of Digital Transformation). Meeting with Neil and the project lead Alex Loder and IT managers on May 26th to clarify plans for project handover and next steps as they are both leaving HCPC.	N/A	N/A	To return to the main Summary and Tracker Scroll up or **[PRESS]**
4	**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. Some data may be available 'self-service' and other will need analysis work.	Work has progressed on stakeholder perceptions tracking with stakeholder engagement currently scheduled to begin in September. A project to capture EDI data via the registrant portal and registration and renewal processes has commenced with IBM working on the delivery of the technical components of this project. Analysis of risk factors relating to FTP and the approach to CPD audit are both still in the early stages of data exploration and the insight team are investigating whether the required data can be extracted via Power BI data models in the absence of a data platform and analytical environment	I&I manager update: work is progressing on initial priorities related to EDI, FTP and stakeholder perceptions monitoring. Data is being drawn from frontline systems via front and backend queries in the absence of the data platform.	N/A	N/A	To return to the main Summary and Tracker Scroll up or **[PRESS]**

| 5 | Key Risk Area 2: Data gathering and assimilation – range of coverage 2.1 Approach to data gathering 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. | no change from June's update. Data Platform Project (including new data governance) currently paused whilst budget prioritisation occurs. There are existing GDPR governance processes for additional data collection within the governance team. | Data Platform Project (including new data governance) currently paused whilst budget prioritisation occurs. There are existing GDPR governance processes for additional data collection within the governance team. | N/A | N/A | To return to the main Summary and Tracker Scroll up or [PRESS] |
| 6 | Key Risk Area 2: Data gathering and assimilation – range of coverage 2.1 Approach to data gathering 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. | Data Platform Project currently paused whilst budget prioritisation occurs. However, work has progressed on stakeholder perceptions tracking with stakeholder engagement currently scheduled to begin in September. A project to capture EDI data via the registrant portal and registration and renewal processes has commenced with IBM working on the delivery of the technical components of this project. Analysis of risk factors relating to FTP and the approach to CPD audit are both still in the early stages of data exploration and the insight team are investigating whether the required data can be extracted via Power BI data models. A draft Insight and Intelligence framework has been developed, this will be picked up by the new Head of Insight and Analytics. | Data Platform Project currently paused whilst budget prioritisation occurs. | N/A | N/A | To return to the main Summary and Tracker Scroll up or [PRESS] |

7	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-to-day stakeholder engagement and for the capturing of data for insight and intelligence purposes.	Resourcing & budgets not currently in place to support introduction of CRM system this financial year - budgets will be reviewed for next financial year to consider whether this can be supported. In the meantime stakeholder mapping and engagement plan has been agreed and is being implemented to improve our stakeholder engagement, approach and ability to responded to insights from stakeholders. Interim arrangement based on Teams has been set up to facilitate information-sharing and limited tracking of stakeholder engagement between HCPC and Luther Pendragon via MS Teams. Ambition to introduce CRM remains – dependent on resourcing being in place.	Resourcing & budgets not currently in place to support introduction of CRM system. Excel stakeholder information with Luther for consolidation. Interim arrangement based on Teams has been set up to facilitate information-sharing and limited tracking of stakeholder engagement between HCPC and Luther Pendragon via MS Teams. Ambition to introduce CRM remains – dependent on resourcing being in place.	N/A	N/A	To return to the main Summary and Tracker Scroll up or **[PRESS]**
8	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 capture standards and processes so that its data, intelligence and insights capture is readily assimilated, complete and accurate.	Stakeholder mapping and engagement approach agreed; relationship management approach to be implemented from autumn to ensure relationships are effectively developed and maintained. Manual intelligence sharing processes being developed in absence of CRM. More comprehensive approach possible when CRM system available. Also see recommendation 7 update	Clarity exists around current relationships. Luther Pendragon progressing stakeholder database. More comprehensive approach possible when CRM system available.	N/A	N/A	To return to the main Summary and Tracker Scroll up or **[PRESS]**
9	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.	The majority of data held by the HCPC constitutes personal data. All data sharing needs to be carefully considered in light of our legislative purpose and relevant data protection law. Template sharing agreements are being developed with legal input. the decision to share data will continue to be made on a case-by-case basis taking into account the rights of individuals and accompanied by a data protection impact assessment, a process already in place. To assist in consistency of decision making, a cross organisational data working group will be established to assess requests though an all-organisation lens.	When comprehensive data platform is available more data sharing will be established.	N/A	N/A	To return to the main Summary and Tracker Scroll up or **[PRESS]**

10	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 assessed and set as the project progresses and address the risk of identifying registrants through the disaggregation of data when it is analysed.	The data platform is not within the Corporate plan for 2021-22. When initiated, there will be representation from information govenrance on the project board	Linked WITH RISK 9 ABOVE	N/A	N/A	
11	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'..	The data platform is not within the Corporate plan for 2021-22. When initiated this requirement will be included in the scoping.	Linked WITH RISK 10 ABOVE Once new technology is available Not only training, but data is accessible on a need to know basis	N/A	N/A	
12	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.	The data platform is not within the Corporate plan for 2021-22. When initiated this requirement will be included in the scoping.	When data platform is in place, data governance process will be in place.	N/A	N/A	

| 13 | 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 sharing, reporting and the coordination and tracking of regulatory responses to insights and intelligence:

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. | The data platform is not within the Corporate plan for 2021-22. When initiated this requirement will be included in the scoping.

In the meantime:

- We currently hold an agreed list of data owners as part of our ISO27001 compliance documentation.

- Stakeholder mapping and engagement plan has been agreed and is being implemented to improve our stakeholder engagement, approach and ability to responded to insights from stakeholders.

- Interim arrangement based on Teams has been set up to facilitate information-sharing and limited tracking of stakeholder engagement between HCPC and Luther Pendragon via MS Teams.

- The organisation is looking to upskill itself in the use of PowerBI through training and superusers, to provide better access to information to improve operational and regulatory decision making. | Will be defined when project commences. | N/A | N/A | To return to the main Summary and Tracker Scroll up or

[PRESS] |

Appendix 2 - Commentary History - a log of the last 4 Audit and Risk Assurance Committee updates

	IT Controls	Sep-21	Jun-21	Mar-21	Nov-20	
1	**Key Risk Area 1: The IT governance framework** **Key Risk Area 2: IT's support for the achievements of enterprise objectives** HCPC should develop and introduce a formal IT Governance framework which aligns with the Code of Corporate Governance. The aim of the framework should be: · To ensure that appropriate roles, responsibilities and accountabilities are established for data, system ownership, reporting and communications. This will build on the information which already forms part of the ISMS. · To report on IT Governance status and tracking of all IT Governance issues and remedial actions to closure; and · To define responsibility for key IT controls, particularly in respect of IT systems managed by business units. The IT governance framework should be reviewed periodically, and updated as needed.	A draft governance framework based on an agile Gartner approach will be reviewed against TOGAF in September. New Head of IT and Digital Transformation to start socialling with ELT and the wider organisation September/October	Whilst it is the intention to complete the Technology Governance Framework by the end of June, in reality by the time it has been socialised and signed off by SMT it will move into July and need to be handed over to the new Head of IT and Digital Transformation.	Draft Technology Governance Framework has been developed and discussed at Digital Transformation Advisory Forum. Realistically it will be Q2 before it is completed.	Also highlighted in the Digital Transformation Strategy. The intention is to develop a new governance model to support more agile ways of working both within technology and across the wider organisation.	To return to the main Summary and Tracker Scroll up or **[PRESS]**
2	**Key Risk Area 3: Effectiveness and added business value of IT is demonstrated to both the business and IT executives** We recommend HCPC consider developing a more detailed set of KPIs to measure IT performance as a part of the digital agenda and in respect of best practice. Typical general examples for IT KPIs that could be used are as follows: - IT expense per employee - Support expense per user - IT expense as a % of total expense - The number of recurring problems. Furthermore, based on the new operation model specifics, HCPC should consider adopting ITIL Key Performance Indicators especially in the area of Service Design and Continual Service Improvement.	New KPIs now agreed, being measured and reported on. New PIs were drafted for ED Corporate Resources, need to be reviewed for appropriateness against BDO recommendations.	Suggested updates to KPIs have been prepared by the Executive Director of Digital Trasnformation and broader alignment of KPIS and Benefits will be incorporated into the development of services as part of the change function. These will require further review later in the year once the new structures are in place.	These items are dependent on the finalisation of the new organisation as part of the Digital Transformation strategy. The final decision of the structure has been deferred whilst the new Executive Director of Corporate Services is onboarded and is able to review. As part of the strategic planning these items have been discussed at an initial level in forums such as the Digital Advisory Forum and some conversations on governance have been started with the PRC. Item 2 is directly driven by the consolidation of the strategic plan (which will influence investment spend), the reorganisation of Digital (which will influence the costs to operate), the output of the new normal (which will influence operating costs) and the adoption of the Data Platform to enable clear and decisive reporting of investment and cost metrics. Based on the points lists, I believe that these items should undergo further review in September 2021.	A standard set of KPI will be considered as part of the reorganisation work resulting from the Digital Transformation work. Following the approval of the strategy presented by the Executive Directory of Digital Transformation at the last meeting Council, work has now started top shape the new Digital organisation.	To return to the main Summary and Tracker Scroll up or **[PRESS]**

| 3 | Key Risk Area 3: Effectiveness and added business value of IT is demonstrated to both the business and IT executives

When processes and IT systems are being reviewed and updated as part of transformation, it is important to ensure that the proportionality of controls is kept as a critical success factor in the delivery of new systems. | New KPIs now agreed, being measured and reported on.
New PIs were drafted for ED Corporate Resources, need to be reviewed for appropriateness against BDO recommendations. | Suggested updates to KPIs have been prepared by the ED of DT and broader alignment of KPIS and Benefits will be incorporated into the development of services as part of the change function. These will require further review later in the year once the new structures are in place. | These items are dependent on the finalisation of the new organisation as part of the Digital Transformation strategy. The final decision of the structure has been deferred whilst the new Executive Director of Corporate Services is onboarded and is able to review. As part of the strategic planning these items have been discussed at an initial level in forums such as the Digital Advisory Forum and some conversations on governance have been started with the PRC.

The additional work being undertaken on the Digital Strategy regarding the approach to the FTP CMS implementation, the work alongside PWC on the FTP transformation, and the Design Authority approach also influences items. This will drive changes on approach through item 3 and are foundational to the principles of the Digital Transformation work. | A standard set of KPI will be considered as part of the reorganisation work resulting from the Digital Transformation work.

Following the approval of the strategy presented by the Executive Directory of Digital Transformation at the last meeting Council, work has now started top shape the new Digital organisation. | To return to the main Summary and Tracker Scroll up or

[PRESS] |
|---|---|---|---|---|---|---|

Appendix 2 - Commentary History - a log of the last 4 Audit and Risk Assurance Committee updates

	Business continuity testing	Sep-21	Jun-21	Mar-21	Nov-20	
6	**Key Risk Area 5: Business continuity testing** **HCPC should address identified gaps in the current BCP and schedule another planned BCP test to ensure that updated areas are working effectively.**	Test user successfully logged on with minimal support. Now planning a test using access to Shadow Planner data, aiming for October/November 2021	Still to be determined what the new BC/DR response will be. However moving toward a ShadowPlanner test with users with a desk based exercise this financial year.	A BC/DR test will be designed for the organisation when the "new normal" is established. HCPC is currently running under invocation conditions and a test now, is not appropriate. Desk tests under lockdown and remote working conditions will be established for future use.	Ongoing -Live test in covid-19 response. May look to test "New normal" at a later stage when we establish what that is.	To return to the main Summary and Tracker Scroll up or **[PRESS]**
9	HCPC should refresh Shadow Planner app training at least annually for users and could consider developing training and guidance to ensure a continued knowledge and awareness of the app. **June 2021 - BDO's assessment of implementation during follow up audit:** Standalone generic BCM / DR training is still being developed ahead of being provided to SMT, Business system owners and Heads of department.	Scenario based testing orientated around accessing the Shadow Planner data will be carried out October/November 2021	**Original Management Response:** ShadowPlanner 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. **Updated Management Response as at June 2021:** A training session with ShadowPlanner over Teams will be organised, or potentially an office based BCM exercise. However it must be remembered that the organisation is still operating under BCM conditions. The long term future of DR/BCM practises are being reviewed this financial year.	N/A	N/A	To return to the main Summary and Tracker Scroll up or **[PRESS]**