
Audit Committee 13 March 2013

Internal audit progress report

Executive summary and recommendations

Introduction

Mazars have prepared the attached report which sets out progress on the internal audit plan for 2012-13.

Decision

The Committee is asked to discuss the report.

Background information

At its meeting on 13 March 2012, the Committee approved the internal audit plan for 2012-13.

Internal audit reports for each completed audit are considered at committee meetings during the year.

Resource implications

None.

Financial implications

None.

Appendices

Internal Audit Progress Report.

Date of paper

1 March 2013

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2013-03-01	a	ADT	PPR	Executive summary internal audit progress report Audit Committee March 2013	Final DD: None	Public RD: None



Internal Audit Progress Report

For the year ended 31 March 2013

Presented to Audit Committee Meeting of: 13 March 2013



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Status of our reports

This report has been prepared for the sole use of Health and Care Professions Council (HCPC).

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1. Introduction

- 1.1 The purpose of this report is to update the Audit Committee as to the progress in respect of the Internal Audit Strategy for the three years ending March 2014, in particular, the Operational Plan for the year ended 31 March 2013.
- 1.2 The Internal Audit Strategy and Operational Plan for 2012/13 was considered and approved by the Audit Committee at its meeting on the 13 March 2012.

2. Summary of internal audit activity since the last Audit Committee meeting

- 2.1 In accordance with the agreed timetable for delivery of the Plan for 2012/13, there have been five reports finalised since the last meeting of the Audit Committee. These relate to Education: Approvals and Monitoring (report 04.12/13 refers), Fitness to Practise (05.12/13), Registrations (06.12/13), Corporate Governance and Risk Management (07.12/13) and Project Management (09.12/13).
- 2.2 One report is at draft report stage, awaiting management comments. This is Bribery Act (08.12/13) (issued 8 February 2013).
- 2.3 Following discussions at the last Audit Committee, it was agreed that the Contingency days within the Plan be used for an advisory review of HCPC's high-level framework to ensure compliance with the Bribery Act and prevent the payment or offering of bribes by staff or 'associates' of HCPC, as well as the receiving of bribes.
- 2.4 A meeting to discuss a proposed Plan for 2013/2014 with the Chief Executive and Registrar, Interim Finance Director and Secretary to the Council on the 28 January 2013. The results of this meeting are reported separately on the agenda.

3. Key issues arising from the internal audit programme to date

3.1 The following table provides a summary of assurances and the number and categorisation of recommendations in reports finalised to date.

Ref	Auditable Area	Level of Assurance (If appropriate)	Recommendations				
			Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total	Total agreed by Management
01.12/13	Follow Up	Not applicable	-	-	8	8	8
02.12/13	Income Collection and Debtors	Substantial	-	-	3	3	3
03.12/13	ICT Security	Substantial	-	-	3	3	3
04.12/13	Education: Approvals and Monitoring	Substantial	-	-	1	1	1
05.12/13	Fitness to Practise	Substantial	-	-	-	-	-
06.12/13	Registrations	Substantial	-	-	1	1	1
07.12/13	Corporate Governance and Risk Management	Substantial	-	-	2	2	2
09.12/13	Project Management	Substantial	-	-	3	3	3
Totals			0	0	21	21	21
%			0%	0%	100%		100%

3.2 We use the following levels of opinion and recommendation classifications within our audit reports:

Levels of Opinion	Control Environment	Effectiveness of Controls
Substantial Assurance:	While a basically sound system of control exists, there is some scope for improvement.	While controls are generally operating effectively, there is some scope for improvement.
Adequate Assurance:	While a generally sound system of control exists, there are weaknesses which put some of the system objectives at risk.	While controls are generally operating effectively, there are weaknesses which put some of the system objectives at risk.
Limited Assurance:	Control is generally weak leaving the system open to significant error or abuse.	Control is generally weak leaving the system open to significant error or abuse.

Recommendation Classifications	Description
Priority 1 (Fundamental)	Recommendations represent fundamental control weaknesses, which expose HCPC to a high degree of unnecessary risk.
Priority 2 (Significant)	Recommendations represent significant control weaknesses which expose HCPC to a moderate degree of unnecessary risk.
Priority 3 (Housekeeping)	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.

4. Comparison to Detailed Audit Timetable for 2012/13

Auditable Area	Target Review Start Date	Actual Review Start Date	Target Audit Committee	Actual Audit Committee	Comments
Follow Up	2 July 2012	2 July 2012	September 2012	27 September 2012	Final Report issued.
Income Collection and Debtors	20 August 2012	20 August 2012	November 2012	28 November 2012	Final Report issued.
ICT – Security	19 September 2012	19 September 2012	November 2012	28 November 2012	Final Report issued.
Education – Approvals and Monitoring processes	12 November 2012	19 November 2012	March 2013	13 March 2013	See 2.1. Final Report issued.
Fitness to Practice	3 December 2012	6 December 2012	March 2013	13 March 2013	See 2.1. Final Report Issued.
Project Management	10 December 2012	10 December 2013	March 2013	13 March 2013	See 2.1. Final Report issued.
Registrations	14 January 2013	14 January 2013	March 2013	13 March 2013	See 2.1. Final Report issued.
Corporate Governance and Risk Management	28 January 2013	28 January 2013	March 2013	13 March 2013	See 2.1. Final Report issued.
Audit Management	Not applicable	Not applicable	Not applicable	Not applicable	
Contingency – Bribery Act	25 January 2013	25 January 2013	March 2013	-	See 2.3. Draft Report issued, awaiting management comments.