

Audit and Risk Assurance Committee

Meeting Date	11 June 2025
Title	Audit and Risk Assurance Committee annual report to the Council and the Accounting Officer 2023-24
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<p>Executive Summary</p> <p>The HCPC provides an Audit and Risk Assurance Committee annual report to the Council and the Accounting Officer as part of the governance statement within the Annual Report and Accounts. The draft ARAC annual report to the Council and the Accounting Officer 2024-25 is attached for the Committee’s approval. This follows the same format as adopted in previous years and includes:</p> <ul style="list-style-type: none"> • the composition of the Committee and the number of meetings held; • the purpose and scope of the Committee, as set out in the Committee’s standing orders; and • a summary of matters considered by the Committee during the reporting year. 	
Action required	The Committee is asked to consider and approve the proposal or recommendation.
Previous consideration	The previous annual report was submitted to the Committee for approval in June 2024.
Next steps	Following approval, the report will be incorporated into the final draft of the HCPC Annual Report and Accounts 2024-25. An initial draft of the full report will be circulated to the Committee in the summer for review. The final draft of the HCPC Annual Report and Accounts 2024-25 will be submitted to the Committee and the Council in September.
Financial and resource implications	None
Associated strategic priority/priorities	Build a resilient, healthy, capable and sustainable organisation

Associated strategic risk(s)	None
Risk appetite	None
Communication and engagement	Not applicable
Equality, diversity and inclusion (EDI) impact and Welsh language standards	Not applicable
Other impact assessments	Not applicable
Reason for consideration in the private session of the meeting (if applicable)	Not applicable

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

The Audit and Risk Assurance Committee is made up of three members appointed by and from the Council and one independent member. The Chair and the independent member of the Committee both have recent, significant and relevant financial experience. The Committee met four times in 2024–25 in line with the Committee’s standing orders. Attendance at these meetings is detailed in the table on pages [XX-XX] of this report.

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

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

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

Internal Audit

Internal audit emphasis is focused on providing assurance on the integrity of our internal control, governance and risk management processes while also providing forward-looking and value-adding advice to the ELT where possible. The internal auditors undertake an approved programme of audits, reporting to the Committee on the effectiveness of controls and making recommendations where appropriate. BDO LLP were appointed as the HCPC’s internal auditors from the 2022–23 financial year for three financial years. The appointment was subsequently extended for one year. During 2024–25, the Committee considered the following internal audit reports:

Internal audit focus 2024–25



Each year the internal auditor undertakes a review of the implementation of recommendations made. For 2024–25 there were seven internal audit recommendations tested for implementation completion. The internal auditors found that of these, three were fully implemented, with four in progress. Two of the recommendations that were in progress were impacted by the delayed implementation of our new finance system, Business Central, which was successfully launched in April 2024.

During 2024–25, other matters considered by the Committee included the following:

Annual Report and Accounts 2023–24	External auditor and National Audit Office (NAO) reports	Information governance annual report 2023–24	Annual review of feedback and complaints 2023–24
Strategic risk register	Operational risk register	Internal and external auditor performance	Anti-bribery and fraud policies
Unified assurance report and unified assurance framework	External audit planning reports	External auditor appointment	Financial regulations
Strategic risk deep dives: cybersecurity, complaints and regulatory reform	Internal audit charter	Internal audit strategy and annual plan 2024–25	Risk appetite