

Paper Number AUD 08-25

CONFIDENTIAL

Audit and Risk Assurance Committee – 11 February 2025

Strategic Risk Register

HTA ARAC meeting, 11 February 2025

Agenda item	5.1 Interests and Gifts and Hospitality Policy and Register
Purpose: for information or decision?	Information
Decision making to date?	Standing item to each Audit and Risk Committee
Recommendation	Audit and Risk Committee is asked to note the latest updates on gifts and hospitality
Which strategic risks are relevant?	Risk 3: Staff Risk 4: Financial
Strategic objective	Efficient and Effective
Core operations / Change activity	Core operations
Business Plan item	Audit and Risk – coordination of appropriate organisation controls to facilitate scrutiny and oversight by stakeholders
Committee oversight?	Audit and Risk Assurance Committee
Finance and resource implications	N/A
Timescales	N/A
Communication(s) (internal/external	N/A
Identified legislative implications	N/A

Interests and Gifts and Hospitality Policy and Register

Purpose of paper

1. To present the Committee with the Declaration of Interests, Gifts and Hospitality Register and policy for note.

Decision making to date

2. The register is presented for the committee to note. The register is only tabled when there are items added.
3. There have been 19 declarations since the register was last shared with the committee at its October 2024 meeting.
4. The Declaration of Interest, Gifts and Hospitality Policy is presented for information and there have been no amendments.

Action required

5. ARAC Members are required to note both the Register at Annex A and the Policy at Annex B.

HTA ARAC meeting, 11 February 2025

Agenda item	5.3 Reports on grievances, disputes, fraud, counter fraud, bribery, corruption and other information
Purpose: for information or decision?	Information
Decision making to date?	Standing item to each Audit and Risk Committee
Recommendation	Audit and Risk Committee is asked to note the latest updates on grievances, disputes, fraud and counter fraud and wider necessary reporting specifically to note/comment in the Action Plan at Annex A and comment and note the amendments to the Whistleblowing policy at Annex B.
Which strategic risks are relevant?	Risk 3: Staff Risk 4: Financial
Strategic objective	Efficient and Effective
Core operations / Change activity	Core operations
Business Plan item	Audit and Risk – coordination of appropriate organisation controls to facilitate scrutiny and oversight by stakeholders
Committee oversight?	Audit and Risk Assurance Committee
Finance and resource implications	N/A
Timescales	N/A
Communication(s) (internal/external	N/A
Identified legislative implications	N/A

Reports on grievances, disputes, fraud, counter fraud, bribery, corruption and other information

Purpose of paper

1. The purpose of this paper is present to the Committee an update of Counter Fraud Awareness activities as detailed in the Strategy.

Decision making to date

2. None

Action required

3. The Committee are requested to note the update and in particular the re-alignment of the strategy to financial years rather than its current period October to September; comment on the Whistleblowing Policy last tabled in February 2024.

Background

4. The Counter Fraud Strategy and Action Plan were last presented to the committee at its October 2023 meeting and the Fraud Risk Assessment (FRA) was last presented at its October 2024 meeting. Both the strategy and the FRA are not being presented today as there have not been any changes.
5. Our Counter Fraud Strategy and Action Plan initially covered the period October 2023 to September 2025. Upon receiving feedback from the peer review of our Action Plan conducted by DHSC Anti-Fraud Unit (AFU) who requested sight of actions beyond 2024, it makes sense to re-align both the plan and our strategy to the period covering April to March.
6. Our Strategy remains relevant to March 2025 and thus has not been updated. At Annex A is our Action plan, detailing activities to 31 March 2025.
7. The FRA will be reviewed by the business quarterly and brought to ARAC annually in October or earlier if there are changes within the Standard or fraud is discovered.
8. At annex B is our Whistleblowing Policy which was presented to the committee at its February 2024 meeting. The committee suggested 2 amendments to the policy which have been highlighted in yellow for ease.
9. The Committee are requested to note/comment on the Action Plan at Annex A; comment and note the amendments to the Whistleblowing policy at Annex B.

Oct-24-Mar-25

[illegible]

Action Plan Template

Oct-24-Mar-25

Item	Strategic Aim	Action	BaU/New	Date Started	Due Date	Action Owner	Core Discipline	Outcome	Metric	Q2 - Update	Q2 RAG Rating	Q3 - Update	Q3 RAG Rating	Q4 - Update	Q4 RAG Rating
	How is this action linked to your counter fraud strategy? Clearly signpost which area of your strategy this action aligns to.	Describe the action/sub-action in plain english. All actions should be SMART. Consider if an overarching action can be broken down into discrete sub-actions with their own milestones and timescales.	Is the action "business-as-usual", or a new action for your organisation?	When is the action/sub-action due to start	When is the action/sub-action due to end	Provide the name and the role of the individual responsible for delivering the action	Choose the core discipline from the drop down list	What is the outcome of delivering this action. This should link to the strategic aim to ensure that we are creating outcomes in the right space.	How are you going to measure success - to know that you have delivered the benefit/outcome? Metrics should have a baseline and a target. This is helpful to understand the impact and progress of the work being undertaken.						
1	Inform and involve (pg 7)	Raise awareness of fraud and corruption by running awareness campaigns, staff surveys	Business-as-usual	1/7/2024	30/9/2024	Morounke Akingbola, Head of Finance and Governance	Culture	Controls implemented for fraud risks identified	Number of new risks/controls raised	Delayed due to audit	Not Started	Delayed due to audit	Not Started	Q2/09/2024 Survey questions completed, delay in submission due to annual leave. Survey completed 20/9/24. Emailed 61(52 were live addresses). Response rate 74%. 1/39 answered 'no' to all questions	Green
2	Inform and involve (pg 7)	Actively seek to increase the HTA's resilience to fraud and corruption through fraud awareness by ensuring that all existing and new employees in all directorates undertake a fraud and corruption e-learning course	Business-as-usual	1/10/2023	30/9/2024	Morounke Akingbola, Head of Finance and Governance	Culture	100% of staff have undertaken fraud awareness training via HTA's training platform and Civil Service Learning	100% of existing staff have undertaken training	Run Power BI CSL	Amber	No action	Amber	CSL/Aslute data collated 52 100% of staff in post completed	Green
3	Inform and involve (pg 7)	Identify and assess HTA's fraud risk exposure affecting principle activities in order to fully understand changing patterns in fraud and corruption threats and potential harmful consequences to the authority	Business-as-usual	1/10/2023	30/9/2025	Morounke Akingbola, Head of Finance and Governance	Fraud risk assessment	Controls implemented/evidenced within operational risk registers	Business Delivery Team (BDT) review of operational risk registers undertaken and evidenced by minutes	Deferred due to audit	Not Started	Review of Resources ORR Jun-24	Amber	Sep-24 Commence review of: Regulation Performance & Corpt Gov DTD	Green
4	Prevent and Deter (pg 8)	Use of information and intelligence from external sources to identify anomalies that may indicate fraud	Business-as-usual		30/10/2024	Morounke Akingbola, Head of Finance and Governance	Prevention	Increase in fraud awareness and implementation of additional controls if appropriate	Number of records highlighted or flagged	N/a	Not Started	N/a	Not Started	Reports commissioned from Payroll Bureau and extracted from MS Great Plains (finance system)	Amber
5	Prevent and Deter (pg 8)	Refresh and promote the HTA's suite of anti-fraud related policies and procedures to ensure that they continue to be relevant to current guidance.	Business-as-usual			Morounke Akingbola, Head of Finance and Governance	Leadership, Management and Strategy	Increase staff awareness	Number of views of the policy on the intranet	HTA WAVE intranet undergoing upgrade	Not Started	Deadline missed for request for change	Red	Stats provided for period Oct-23 to Sep-24 (total views 70 / unique users 50)	Amber
6	Review and held to account (pg 9)	Reporting quarterly to Cabinet Office' Consolidated Data Requests	Business-as-usual	15/9/2023	3/10/2024	Morounke Akingbola, Head of Finance and Governance	Leadership, Management and Strategy	Increase in transparency and sharing	N/a	Submitted Apr-24	Green	Submitted July-24	Green	Submitted Oct-24	Green
7											Not Started		Not Started		Not Started

Oct-24-Mar-25

[illegible]

HTA Policy

Protective Marking: OFFICIAL

Whistleblowing Policy and Procedure

Purpose

1. The Public Interest Disclosure Act 1998 (PIDA) protects employees against detrimental treatment or dismissal as a result of any disclosure by them of normally confidential information in the interests of the public. The HTA's whistleblowing policy and procedure explains how concerns should be raised by staff and is in line with the Act.
2. This policy aims to mitigate the risk of inappropriate treatment of whistle-blowers.
3. In accordance with PIDA, this policy sets out a clear and fair procedure:
 - a. That staff may use if they wish to make disclosures about the HTA that they feel are in the public interest; and
 - b. which the HTA will use to investigate such disclosures.
4. This policy applies to all employees, permanent, fixed-term and any temporary/agency staff.
5. The policy does not form part of any employee's contract of employment. It may be revised or withdrawn at the HTA's absolute discretion and at any time.
6. Concerns that are raised about issues at other establishments should be handled under the relevant policy or SOP.

Introduction

7. The HTA is committed to high ethical standards and fosters an open culture.
8. Whistleblowing is when an individual reports suspected wrongdoing at work. This is also known as 'making a disclosure in the public interest'. Simply, it is raising concerns, usually acting from a feeling of fairness or ethics, rather than out of personal interest.
9. Whistleblowing is different to making a complaint or raising a grievance. Usually these actions are taken when the individual is personally affected. The HTA has separate procedures for these.
10. Whistleblowing is important to safeguard the effective delivery of public services, and to ensure value for money. It serves to protect and reassure

individuals, and to maintain a healthy working culture and an efficient organisation.

11. The sections below provide guidance to staff on the procedures to follow if they have concerns about improper behaviour that might indicate fraud or have serious implications for the HTA.

Data Protection

12. Personal data processed by the implementation of this document will be done so in accordance with [HTA-POL-108 HTA HR Privacy Policy](#).

Raising concerns

13. A member of staff who has concerns **are encouraged to** ~~should~~ initially raise the matter with his or her line manager or Director. A concern should always be raised as soon as the whistle-blower becomes aware of it and they should gather no further information at this point.
14. Types of improper behaviours include actions that:
 - a. are illegal;
 - b. are in breach of a professional code or are otherwise unethical;
 - c. make improper use of HTA funds;
 - d. make improper use of HTA assets or sensitive data;
 - e. involve maladministration;
 - f. cause harm to another member of staff, HTA users or the general public;
 - g. undermine the HTA's functions or reputation;
 - h. attempt to cover up such malpractice.
15. If a member of staff feels unable to raise the matter through their line manager they may do so through HR (CQC Shared Services) or their Director. If the Director is implicated the concerns should be raised with the CEO. This also applies if the member of staff is dissatisfied with the line manager's response to his or her concerns. The member of staff may seek the support of their trade union and choose to be accompanied by a trade union representative or work colleague at any stage of the procedure. Advice is also available from the charity Public Concern at Work.
16. When a member of staff continues to feel that there has not been a satisfactory response by HTA management or that there are compelling reasons that the matter cannot be raised with HTA management, he or she may contact **the Board Member who is the Speak Up Champion which is the Chair of the Audit, Risk and Assurance Committee (ARAC)** in addition, one of the following people detailed at Annex A

- a. If staff feel that they cannot raise the matter with anyone associated with the HTA, then they may contact the sponsorship team at the **Department of Health and Social Care** (also at Annex A).
 - b. HTA staff may also use the **Whistleblowing Helpline**, which offers free, confidential and anonymous advice: Protect whistle@protect-advice.org.uk formerly known as Public Concern at Work.
- 17. The National Audit Office (NAO) are a prescribed person to whom disclosures can be made in cases of concerns about the proper conduct of public business, value for money, fraud and corruption in relation to the provision of centrally-funded public services. Their whistleblowing helpline is 020 7798 7999. Further advice is on the NAO website at www.nao.org.uk/about_us/contact_us/whistleblowing_concerns.aspx.
- 18. Staff should not raise their concerns publicly unless in consideration of all the circumstances it is reasonable to do so (such as they receive an inadequate response through the proper channels). To do so may breach other legislation and leave an employee unprotected by PIDA.

Protected disclosures

- 19. Certain conditions must be met for a whistleblower to qualify for protection under the Public Interest Disclosure Act 1998 (PIDA), depending on to whom the disclosure is being made and whether it is being made internally or externally.
- 20. Workers are encouraged to raise their concerns with the employer (an internal disclosure) with a view that the employer will then have an opportunity to address the issues raised. If a worker makes a qualifying disclosure internally to an employer (or another reasonable person) they will be protected.
- 21. No worker should submit another worker to a detriment on the grounds of them having made a protected disclosure.
- 22. Any colleague or manager (provided that they and the whistleblower have the legal status of employee / worker) can personally be liable for subjecting the whistleblower to detriment for having made a protected disclosure.
- 23. If a disclosure is made externally, there are certain conditions which must be met before a disclosure will be protected. One of these conditions must be met if a worker is considering making an external disclosure (this does not apply to disclosures made to legal advisors).
- 24. If the disclosure is made to a prescribed person, the worker must reasonably believe that the concern being raised is one which is relevant to the prescribed person.

25. A worker can also be protected if they reasonably believe that the disclosure is substantially true, the disclosure is not made for personal gain i.e. is in the public interest, it is reasonable to make the disclosure and one of the following conditions apply:
- a. At the time the disclosure is made, the worker reasonably believes that s/he will be subjected to a detriment by their employer if the disclosure is made to the employer; or
 - b. The worker reasonably believes that it is likely that evidence relating to the failure/wrongdoing will be concealed or destroyed if the disclosure is made to the employer; or
 - c. The worker has previously made a disclosure to his/her employer.
26. Additional conditions apply to other wider disclosures to the police, an MP or the media. These disclosures can be protected if the worker reasonably believes that the disclosure is substantially true, the disclosure is of an exceptionally serious nature, and it is reasonable to make the disclosure.

Prescribed persons/organisations

27. Special provision is made for disclosures to organisations prescribed under PIDA. Such disclosures will be protected where the whistle-blower meets the tests for internal disclosures and additionally, honestly and reasonably believes that the information and any allegation contained in it are substantially true. Contact details can be found [here](#).
28. The HTA is not a prescribed organisation under PIDA and as such can only take limited action in relation to whistleblowing concerns in respect of other external organisations.

Action on concerns

29. It is fundamentally important to the success of the “whistleblowing” arrangements that staff can have confidence that their concerns will be taken seriously and that their position at the HTA will not be prejudiced unfairly by their raising issues of improper conduct. Whistle blowers who have acted in good faith have guaranteed protection under the provisions of PIDA.
30. All staff are protected from victimisation, harassment or disciplinary action as a result of any disclosure, where the disclosure is made in good faith and is not made maliciously or for personal gain.
31. There will be no adverse repercussions for an employee or other individual who raises a genuine concern in good faith, whether or not such a concern is subsequently found to be justified. If any harassment, bullying or victimisation of such a whistle-blower arises, this will be regarded as a disciplinary matter.
32. Whistle blowers may wish their identity and or the information they provide to be treated confidentially. In some cases, this may be possible, although the

nature of the matter may be such that the investigation cannot be made or will be restricted if this is the case. If concerns are raised anonymously, they will still be investigated, but this may restrict or prevent proper action.

33. As soon as a manager is made aware of a concern and he or she has checked that it is a matter where the interest of others or the organisation may be at risk, it must be reported upwards to the appropriate Head and the Director, as long as the Head and the Director is not the subject of the allegation. If so, the contacts in paragraph 15 should be used. The allegation must be reported upwards even if the matter is satisfactorily resolved by the manager who received the complaint. If necessary, the Head and Director will confirm the action to be taken and the likely timescales.
34. The member of staff who raised the issue must be given a report in writing of the outcome of the investigation. This report should be sufficiently detailed such that the member of staff has confidence that the investigation and any consequential actions were appropriate. If the investigations are lengthy, an interim oral report should be given to the member of staff to reassure him or her that appropriate action is being taken and appropriately documented that this has occurred.
35. Consideration should be given to referring an allegation to internal audit, either to conduct the investigation or to endorse the outcome. This should be discussed with the Director responsible for that area and the Director of Finance and Resources who is the HTA's principle point of contact with the internal auditors.
36. Raising a false allegation maliciously may lead to disciplinary action under the HTA's Disciplinary Procedure.
37. The nature of any whistleblowing allegation and the results of any investigation should be reported to the Audit and Risk Assurance Committee in order for the Committee to consider the impact on the HTA.

Do's and don'ts of Whistleblowing (from the whistleblowing charity Protect (formerly Public Concern at Work))

38. Do:
 - a. Keep calm;
 - b. Think about the risks and outcomes before you act;
 - c. Remember you are a witness, not a complainant; **and**
 - d. Phone Protect for advice on +44 (0)20 3177 252
39. Don't:
 - a. Forget there may be an innocent or good explanation;
 - b. Become a private detective;
 - c. Use a whistleblowing procedure to pursue a personal grievance; **or**
 - d. Expect thanks.

Malicious Whistleblowing

40. Where it is found that a whistle-blower makes an allegation maliciously, and:
 - a. Does not act in the public interest;
 - b. Makes an allegation without having reasonable grounds for believing it to be substantially true;
 - c. Collects the information to support the allegations improperly, or;
 - d. Makes an allegation for personal or 3rd party gain.
41. They will be subject to formal disciplinary action, up to and including dismissal and in some cases may be subject to criminal investigation where illegality has occurred in order to achieve those aims.
42. Additionally where this criterion is met or the employee engages in improper conduct in relation to whistleblowing, they are unlikely to be protected as a whistle-blower under the PIDA Act.

Link to anti-bribery

43. The HTA recognises that bribery and corruption are both serious matters and may be the subject of whistleblowing activity.

Review

44. This policy will be reviewed by the Audit, Risk and Assurance Committee annually.

ANNEX A

- a) **Chief Executive**
Dr Colin Sullivan
020 7269 1946
colin.sullivan@hta.gov.uk
- b) **Authority Chair**
Lynne Berry
0207 269 1970
Lynne.Berry@hta.gov.uk
- c) **Audit and Risk Assurance Committee Chair (Board Champion)**
Professor Gary Crowe
0207 269 1925
gary.crowe@hta.gov.uk
- d) **Staff Champion**

Clare Wend-Hansen
0207 269 1953
Clare.wend-hansen@hta.gov.uk

Department of Health and Social Care

- e) Jacky Cooper (DHSC Sponsor Unit)
0113 254 5446 / jacky.cooper@dhsc.gov.uk
- f) **Protect (formerly People Concerns at Work)**
020 3117 2520
<https://protect-advice.org.uk/contact-protect-advice-line/>

Revision history

Reference: HTA-POL-17

Author(s): Morounke Akingbola

Reviewed by: **Head of Finance**

Approved by: SMT/ARAC

Owner: Director of Finance and Resources

Distribution: All Staff

Protective Marking: OFFICIAL

- Jan 2015/15.0: Reviewed by Head of Finance
- Jan 2016/15.1 Reviewed by Head of Finance
- Nov 2017/15.2 Reviewed by Head of Finance
- Jan 2018/15.3 Updated by Head of Finance
- Jan 2019/15.4 Reviewed by Head of Finance
- Mar 2019/15.5 GDPR passage added referring to HTA's HR Privacy policy – inserted under Data Protection
- Nov 2020/15.6 Reviewed by Head of Finance
- Dec 2021/15.7 Reviewed by Head of Finance – section on malicious whistleblowing (para 38-40) and Link to bribery (para 41) added.
- Dec 2022/15.8 Next review date Dec 23
- Jan 2025/15.9 Para 13 - change 'should' to 'are encouraged'. Para 16 – added 'the Board Member who is the Speak up Champion which is the Chair of the Audit, Risk and Assurance Committee (ARAC). Next review Dec 25

HTA ARAC meeting, 11 February 2025

Agenda item	5.4 Procurement and Budgetary Control Policies
Purpose: for information or decision?	Information
Decision making to date?	Standing item to each Audit and Risk Committee
Recommendation	Audit and Risk Committee is asked to note the latest updates which are highlighted in each Annex.
Which strategic risks are relevant?	Risk 4: Financial
Strategic objective	Efficient and Effective
Core operations / Change activity	Core operations
Business Plan item	Audit and Risk – coordination of appropriate organisation controls to facilitate scrutiny and oversight by stakeholders
Committee oversight?	ARAC
Finance and resource implications	N/A
Timescales	N/A
Communication(s) (internal/external	N/A
Identified legislative implications	N/A

Procurement and Budgetary Control Policies

Purpose of paper

1. The purpose of this paper is to present to the Audit, Risk and Assurance Committee the updated Procurement and Tendering Policy and the Budgetary Control Policy.

Decision making to date

2. This paper was agreed by the SMT in January 2025 for presentation to ARAC,

Action required

3. The Committee are requested to review and provide comment to changes or updates made to the Policy.

Background

4. The Procurement and Tendering Policy is reviewed at least every 3 years or sooner if there is a change in the Procurement Regulations. The Procurement Act 2023 received Royal Assent in October 2023 with the Procurement Regulations 2024 approved by both Houses (Lords and Parliament). The new regime goes live on 24 February 2025 delayed from 28 October 2024.
5. For the HTA, the new Act becomes relevant if we conduct a procurement that requires a competitive tendering process and award of a contract. The threshold being procurements in excess of £70,000 (increased from £20,000, due to inflation and the length of time the value has been in place). The Act is also clear on circumstances in which it may be necessary to award a contract without competition. Our policy does reflect this in the section under 'single tender waiver'- Direct Award.
6. Changes of note have been highlighted in yellow. Other changes not shown are formatting or cosmetic.
7. The second policy for the Committee's information is the Budgetary Control Policy. This policy reflects the process around budget/fee setting. There have been some additions highlighted in yellow to the policy and where appropriate, key dates have been updated.
8. The Committee are requested to note the policies which are at annex A (Procurement) and annex B (Budgetary Control).

HTA ARAC meeting, 11 February 2025

Agenda item	6.2 Accounting Policies and Judgements
Purpose: for information or decision?	Information
Decision making to date?	Standing item to each Audit and Risk Committee
Recommendation	Information Item - To provide members with an overview of the proposed accounting policies, judgements and estimates, prior to the preparation and approval of the HTA Annual Report and Accounts.
Which strategic risks are relevant?	Risk 4: Financial
Strategic objective	Efficient and Effective
Core operations / Change activity	Core operations
Business Plan item	Audit and Risk – coordination of appropriate organisation controls to facilitate scrutiny and oversight by stakeholders
Committee oversight?	Audit and Risk Assurance Committee
Finance and resource implications	N/A
Timescales	N/A
Communication(s) (internal/external	N/A
Identified legislative implications	N/A

Accounting Policies and Judgements

Purpose of paper

1. To provide members with an overview of the proposed accounting policies, judgements and estimates, prior to the preparation and approval of the HTA Annual Report and Accounts.

Background

2. It is best practice and outlined in the Human Tissue Authority's Audit Committee handbook that the ARAC should consider significant accounting policies, any changes to them and any significant estimates and judgements.
3. This allows the committee consideration of these key matters prior to the preparation of the Annual Report and Accounts (ARA).
4. The draft ARA including these accounting policies, estimates and judgments will be submitted to External Audit in May with final approval expected in June.

Additional detail on the report topic

5. The ARA is prepared according to International Financial Reporting Standards (IFRSs) issued by the International Accounting Standard Board as adapted and interpreted by guidance included in the Government Financial Reporting Manual (FReM). The latest publication of the FReM was December 2024.
6. The HTA's accounting policies are the specific principles, conventions, rules and practices that are applied in the production and presentation of the ARA.
7. These policies are disclosed as the first note to the accounts. A copy of the proposed policies for 2024/25 is included at Annex A.
8. Unless there are major changes to accounting rules and regulations, accounting policies do not change significantly between years because the accounts would not be comparable from one year to the next.
9. There are no proposed changes from the accounting policies used to prepare the ARA from the previous financial year.

Significant Judgements and Estimates

10. In line with IFRSs and the FReM, the HTA is required to disclose those key judgments and estimates that management have made in the process of applying the accounting policies that have the most significant effect on the financial statements.
11. Significant judgements include:
 - Nil for the 2024/25 financial year
12. Significant estimates include:
 - Nil for the 2024/25 financial year

Purpose of Accounting Policies

13. The definition of accounting policies is "the principles, bases, conventions, rules and practices applied by an organisation that specify how the effects of transactions and other events are to be reflected in its financial statements through recognising, selecting measurement bases for, and presenting assets, liabilities, gains, losses and changes in reserves".
14. The application of accounting policies supports the implementation of the main accounting concepts of best practice. These ensure financial reports:
 - **Are relevant** – providing appropriate information on the stewardship of Authority monies.
 - **Are reliable** – financial information can be relied upon and is without bias and free from error, within the bounds of materiality and has been prudently prepared.
 - **Allow comparability** – the interpretation of financial reports is enhanced by being able to compare information across other accounting periods and other organisations.
 - **Are understandable** – though financial reports have to contain certain information; they have to be understandable.
 - **Reflect material information** – significant transactions must be incorporated in the financial reports.
 - **Prepared on a going concern basis** – the assumption that the authority will continue in operational existence for the foreseeable future.
 - **Prepared on an accrual's basis** – accounts are prepared to reflect the benefit of goods and services received and provided rather than when

AUD 12-25

cash transactions occur when invoices are paid in a later accounting period.

15. The significant accounting policies currently adopted by the HTA are in line with the concepts set out paragraph 12.

Annex A - Accounting Policies

1. Below are the accounting policies extracted from the Annual Report and Accounts and are for the Committee's information.

1.Statement of accounting policies

These financial statements have been prepared pursuant to the Human Tissue Act 2004, Schedule 2 (paragraph 16) and in accordance with the Financial Reporting Manual (FReM). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Human Tissue Authority (HTA) for the purposes of giving a true and fair view has been selected. The particular policies adopted by the HTA for the year ended 31 March 2024 are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Going concern

The going concern basis of accounting for the HTA is adopted in consideration of the requirements set out in the International Accounting Standards as interpreted by HM Treasury's Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements, where it is anticipated that the services they provide will continue in the future.

1.2 Accounting convention

The accounts have been prepared under the historical cost convention.

1.3 Non-current assets

Noncurrent assets are property, plant and equipment and intangible assets including the costs of acquiring or developing computer systems and software. Only items or groups of related items costing £5,000 or more are capitalised. Items costing less are treated as revenue expenditure in the year of acquisition.

All property, plant and equipment and intangible assets held by the HTA at 31 March 2025 are carried in the Statement of Financial Position at depreciated historical cost. The depreciated or amortised historical cost is used as a proxy for fair value, for the classes of assets listed below, since the useful life over which the asset class is depreciated or amortised is considered to be a realistic

reflection of the consumption of that asset class. Depreciation and amortisation are provided on a monthly basis from the date of deemed economic benefit, at rates calculated to write off the costs of each asset evenly over its expected useful life.

Plant and Equipment Intangible assets

Information Technology	4 years	Information Technology	5 years
Furniture and fittings	3 or 5 years	Websites	3 years
Refurbishment Costs	5 or 10 years		
Right of Use Assets	Lease term		

1.4 Assets under Construction (Development expenditure)

These are the costs related to the upgrade of HTA systems whether that be the hardware or applications that are yet to be deployed. These assets are not depreciated. They are depreciated from the point they come into use.

1.5 Impairments

The simplified approach to impairment, in accordance with IFRS 9, measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (stage 1).

For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 2).

An assessment of all of the HTA's financial assets has resulted in movement in the value of the impairment of receivables. In carrying out the assessment of licence fee debtors, account is taken of the sector, economic climate (past and future) and previous losses and the impact of COVID-19. A default loss rating is applied to debts aged over a period of 28, 42 and 56 days.

DHSC provides a guarantee of last resort against debts of its arm's length bodies and NHS bodies and as such the HTA does not recognise stage 1 or 2 losses against these bodies.

1.6 Critical accounting judgements and key sources of estimation uncertainty

In the application of the HTA accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The

estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed annually. Revisions to accounting estimates are recognised in the period of the revision and future periods if the revision affects both current and future periods. The judgements that management has made in the process of applying HTA's accounting policies and that may have significant effect on the amounts recognised in the financial statements are:

IFRS 9: expected credit losses (ECL) – an impairment review was conducted where historical debtor information, current economic climate, profile of the sector is taken into account. A weighting is applied to each debt according to the number of days outstanding. This results in a provision (expected credit loss) for these outstanding amounts. Excluded from this review are NHS debtors (see note 1.5).

1.7 Grant-in-aid

Grant-in-aid (GIA) received is used to finance activities and expenditure which support the statutory and other objectives of the HTA. Grant-in-aid is treated as financing and credited to the income and expenditure reserve, because it is regarded as contributions from a controlling party.

1.8 Leases

Scope and classification

Contracts that convey the right to use an asset in exchange for consideration are classified as leases and are accounted for in accordance with IFRS 16 leases. The HTA has one lease which is for its offices at 2 Redman Place, Stratford.

Rentals payable under operating leases, were expensed on a straight-line-basis over the lease term.

Low value contracts defined as items costing less than £5,000 when new, provided they are not highly dependent on or integrated with other items, and contracts with a term shorter than twelve months.

Lease expenditure

Expenditure includes interest and straight-line depreciation. Lease payments reduce the lease liability. If applicable, rental payments for leases of low value items or shorter than twelve months are expensed. The HTA does not currently have low value items or leases shorter than twelve months.

The asset is subsequently measured using the fair value model. The HTA considers the cost model to be a reasonable proxy for this. The liability is adjusted for the accrued interest and repayments.

Subsequent measurement - right-of-use assets are measured in line with the class of PPE asset to which the lease relates. The cost model for IFRS 16 is used as a proxy for valuation.

Subsequent re-measurement - lease liability is remeasured to reflect changes to the lease payment. The HTA remeasures the lease liability by discounting the revised lease payments using a revised discount rate if there are changes in: the lease term or future lease payments resulting in a change in the index rate used to determine these future lease payments, including a change to reflect changes in market rental rates following a market rent review. The HTA remeasures the lease liability to reflect those revised lease payments only when there is a change in the cash flow (will happen when the adjustment to the lease payments take effect).

1.9 Income

Our main source of income takes the form of fees for licences from establishments who have human tissue on their premises and fixed fees from devolved administrations, for work on policies and transplants.

Under IFRS 15 and the 5-step model:

- There is a contractual arrangement between the HTA and its establishments as per IFRS 15 and the 5-step model. The underlying legislation is deemed to enforce contractual obligations on both parties, and thus these arrangements are viewed as contracts under the standard.
- Performance obligations exist between the HTA and those establishments within the private and public sectors it regulates. The establishments must maintain standards in line with our Codes of Practice and submit details of activities being undertaken. The HTA if satisfied grants a licence.
- A transaction price (lice fee) is chargeable for granting of licences and for ongoing regulation. The cost of ongoing regulation is based on the sector, type of activity undertaken by each establishment.
- The transaction price is allocated to the obligation on the HTA to regulate the establishments and grant a licence.
- Income is recognised over time across the financial year to which the licence relates.

Other income received by HTA relates to seconded staff. Income is recognised on an accruals basis, with the performance obligation deemed to be the point at which these goods or services are delivered.

1.10 Employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

1.11 Pensions

Past and present employees are covered by the provisions of the NHS Pensions Scheme (NHSPS). Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The Scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying Scheme's assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution scheme: the cost to the HTA of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period.

1.12 Financial assets

Financial assets are recognised when HTA becomes party to the financial instrument contract or, in the case of contract receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired, or the asset has been transferred.

1.13 Financial liabilities

Financial liabilities are recognised on the statement of financial position when HTA becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been paid or expired.

1.14 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents would be

investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.15 IFRS issued but not yet effective

The Treasury FReM does not require the following Standards and Interpretations to be applied in 2023/24. The application of the Standards as revised would not have a material impact on the accounts in 2023/24, were they applied in that year.

IFRS 17 - Insurance Contracts - applicable for accounting periods beginning on or after 1 January 2021. This Standard has not yet been adopted by the FReM which is expected to be from April 2025. The HTA does not have any assets or liabilities recognised as insurance contracts, and therefore this standard will have no impact on the HTA's financial statements.

IFRS 18 - Presentation and Disclosure in the Financial Statements was issued in April 2024 and applies to periods beginning on or after 1 January 2027. The standard has not yet been adopted by FRAB for inclusion within the FReM and therefore it is not yet possible to confirm how this will impact on our accounts in the future.

1.16 Provisions

Provisions are recognised when the HTA has a present legal or constructive obligation as a result of a past event, it is probable that the HTA will be required to settle the obligation, and a reliable estimate can be made of the obligation.

Recommendation

2. Members are invited to note the unchanged accounting policies, judgements and estimates for the HTA 2024/25 Annual Rep