



Council
16 July 2015
Annual Report and Accounts

Classification	Public
Purpose	For decision
Issue	Approval and publication of the Annual Report and Accounts for the financial year 2014-2015.
Recommendations	<ol style="list-style-type: none">1. To note the Audit Findings Report and the Letter of Representation to be signed by the Chair of Council.2. To approve the Annual Report and Accounts for signing by the Chair of Council.
Financial and resourcing implications	The Annual Report and Accounts will be typeset for publication on the website, but not produced as a printed document.
Equality and diversity implications	None arising
Communications implications	The Annual Report and Accounts are a public document and will be published on the GOsC website.
Annexes	<ol style="list-style-type: none">A. Audit Findings ReportB. Annual Report and Accounts 2014-2015C. Letter representation
Author	Matthew Redford.

Background

1. The General Osteopathic Council (GOsC) is required by the Osteopaths Act 1993 to publish its accounts as soon as reasonably practicable after they have been audited and to provide a copy to the Privy Council to be laid before Parliament.
2. The financial audit was conducted by Grant Thornton in May 2015. Following the conclusion of the audit, Grant Thornton produced an Audit Findings Report (AFR) which highlighted the key issues affecting the results of the GOsC and the preparation of the financial statements. The Executive has had the opportunity to comment and this is reflected in Annex A.
3. The AFR was presented to the Audit Committee by Jenny Brown, Engagement Lead, on 2 July 2015. The AFR also contains the letter of representation which needs to be sent from the Council to the auditors.
4. The audited accounts are accompanied by an Annual Report setting out the activities of the GOsC over the previous twelve months. The Annual Report and Accounts are set out at Annex B and the letter of representation at Annex C.

Discussion

5. A summary of the issues considered by the Audit Committee in relation to the AFR are set out below:
 - a. The AFR provides assurance that the internal financial controls and operational processes are robust and that segregation of duties has been enhanced following the merger of the finance and registration teams.
 - b. The AFR encourages further segregation of duties around journal processing and the team are already working to implement this suggestion.
 - c. The AFR notes a minor improvement could be made around a policy for 'bad debts' i.e. where money owed is not likely to be received, and management agree with the finding.
 - d. The treatment of NCOR as a 'Joint Arrangement which is Not an Entity (JANE)' will not continue beyond 2014-15 as NCOR is now an independent charitable organisation.
 - e. The Committee identified a number of areas within the report and accounts that required clarification. These have been made to the draft at Annex B.

Financial position summary

6. At the end of the financial year 2014-15, the GOsC had a deficit before taxation and designated spending of £88,901. After spending from designated funds, which includes expenditure on the effectiveness of regulation research and development projects, the deficit stands at £188,715.

7. The Balance Sheet was able to withstand the deficit position due to previous strong financial performances and Total Reserves equal £2.387m. Cash in hand totals £694k and does not include the £500k investment in the medium risk portfolio through Standard Life Wealth (formerly Newton Investment Management).

Recommendations:

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