



## **Audit Committee**

Minutes of the 35<sup>th</sup> meeting of the Audit Committee held on  
Tuesday 20 June 2017

*Unconfirmed*

Chair: Chris Shapcott

Present: Martin Owen  
Haidar Ramadan  
Denis Shaugnessy

In Attendance: Ben Chambers, Registration and Resources Officer  
Carl Pattenden, IT and Business Support (Item 9)  
Matthew Redford, Head of Registration and Resources  
Tim Redwood, Audit Partner at Crowe Clark Whitehill (Item 1 – 6)  
Tim Walker, Chief Executive and Registrar

### **Item 1: Welcome and apologies**

1. The Chair welcomed all participants to the meeting and formally welcomed Haidar Ramadan as a member of the Committee.

### **Item 2: Minutes and matters arising from the meeting of 16 March 2017**

2. The minutes of the meeting of 16 March 2017 were agreed as a correct record.

### **Item 3: Audit findings report and draft Annual Report and Accounts**

3. It is noted that the Audit Committee had held an 'in-camera' session with the auditor.
4. The Head of Registration and Resources introduced the Audit findings report, noting the audit was clean, before passing over to the auditor.
5. The auditor provided a brief overview of the audit findings report to Committee members, noting that the audit went very smoothly in the first year.
6. The following areas were highlighted:

- a. There were no major concerns/issues found during the course of the audit. Members were pleased that it was another clean audit.
- b. A strong sample of payroll was tested and no issues were found with the audit sample. It was noted one contract for a long standing employee had not been signed, the Head of Registration and Resources advised there should not be an issue but advice could be taken from the Human Resources Manager.
- c. Third party relationship risks were discussed, including contractual obligations and the level of assurance the GOsC can be given, and it was agreed this was useful to look into and could possibly be a future item for internal audit.
- d. Members asked the auditor what should they be aware of two or three years down the line. The auditor responded to advise the usual risk is around cash flow which is not an issue for the GOsC. He added that moving forward the GOsC should continue to ensure its current systems are robust and to make sure stable service providers were chosen, which could potentially be more of a business risk with the implementation of a new content management system (CMS).
- e. Members had questions about governance changes with the GOsC's status as a registered charity from 25 April 2017, which did not affect the financial audit for 2016-17. The Chief Executive advised the governance handbook was reviewed between the date of the charity application and the date of acceptance with Council, the formal changes being agreed on the date of the acceptance of the charity application.
- f. Members queried miscellaneous income received this year, the Head of Registration and Resources advised the majority of this was a legacy left to the GOsC in an individual's will.
- g. Members questioned whether it was a requirement to include senior management expenses in the annual report and accounts as the figures were minor. The Chief Executive responded, advising in the past this had been kept for the purposes of complete openness and transparency. It was agreed to remove these figures from the report.
- h. There was a question about the Department of Health grant, the Head of Registration and Resources advised this was a residual amount of a grant received several years ago and the remaining amount was used during the course of the year.

7. The Chair advised that Audit Committee were prepared to recommend the audit findings to Council.

#### **Item 4: Statement of financial controls**

8. The Head of Registration and Resources introduced the report which set out the statement of financial controls.
9. Since last year there have been no changes to the financial controls and the Head of Registration and Resources noted that members had requested that any changes to the financial controls be highlighted as the paper is only received once per year.
10. A brief discussion took place around staff payroll if any unexpected case of leave/illness of the Head of Registration and Resources was to occur. He responded that payroll was set up to run automatically on a monthly basis so staff would be paid.

**Noted:** the Committee noted the statement of financial controls.

#### **Item 5: Auditor evaluation**

11. The Head of Registration and Resources introduced the report which outlined the auditor evaluation framework.
12. He highlighted that during the first year, it was important for the GOsC and CCW to work closely so that CCW could understand the GOsC processes and the running of the organisation.
13. The auditor noted a change to the audit manager, he added the change took place before the audit fieldwork was started but commented a full team of staff was on site to conduct the audit.
14. Members were asked to consider the report and were content with the evaluation framework laid out, noting a couple of typing errors.

**Agreed:** the Committee agreed the auditor evaluation framework.

#### **Item 6: Audit Committee performance evaluation: summary of results**

15. The Registration and Resources Officer introduced the report which outlined the summary of results of Audit Committee's performance evaluation.
16. Members believed the questionnaire was very thought provoking and that there was a good balance of input from members, the Executive and the external auditors. It

was highlighted members would not mind if papers were shorter in length and a verbal introduction for the paper was extended.

17. It was suggested by members that a checklist was introduced to ensure matters arising from previous meetings were followed up.
18. It was additionally highlighted that members thought a short discussion at the beginning of each meeting without the Executive present would be useful to reinforce the subtle distinction of independence.
19. The auditor left the meeting at the conclusion of this item.

**Noted:** the Committee noted the Audit Committee performance evaluation.

### **Item 7: Audit Committee Annual Report 2016-17**

20. The Registration and Resources Officer introduced the Audit Committee Annual report which is presented to Council. It was noted that the Chair of Audit Committee had reviewed the report prior to the meeting and would be attending Council in person to deliver the report.
21. Members thought it would be better if the cost of Audit Committee for 'Audit fees' was clearly split into the external audit fee and the internal audit fee of CCW for the IT audit work.
22. Members also had comments about the wording of the Audit Committee terms of reference, the Chief Executive advised those points would be taken away and considered.

**Agreed:** the Committee agreed the Audit Committee Annual report, subject to the minor amendments listed above.

### **Item 8: Updated Risk Register**

23. The Chief Executive introduced the updated Risk Register.
24. The following areas were highlighted as part of the discussion:
  - a. The risk relating to the Welsh Language Scheme has been reduced.
  - b. An in-depth discussion around risk, the definition of risk and the layout of the risk register took place. At the discussion's conclusion, it was noted that Council had approved the layout of the current risk register in May 2016 and members thought it may be useful to have a separate discussion about risk and risk

management at a future meeting. The Chief Executive advised that the Senior Management Team meet regularly to discuss the content of the risk register.

- c. Members asked for an update about advertising complaints. The Chief Executive responded to advise that concerns have continued to be with the GOsC but staff were able to deal with the current volume.
- d. Members queried whether a risk should be added to the register surrounding natural disasters (fires etc) and terrorist attacks, taking into account recent events. The Executive responded to advise the business continuity plan was in place for this type of disaster and advised the location of the office would need to be taken into account when making this determination. The Executive noted it would be fairly low-risk and should not be on the risk register, advising loss of access to the building would be more of an issue.
- e. Members noted that they may not necessarily need to see the second part of the risk register (Business Plan Risk Assessment) at every meeting unless there were any significant changes.

**Noted:** the Committee noted the risk register.

#### **Item 9: Internal audit update**

- 25. The Head of Registration and Resources introduced the report which updated Audit Committee on the work undertaken following the IT audit, activity around information governance and audit activity around fitness to practice and health and safety.
- 26. Members were pleased to see the IT action plan which picked up the concerns of the Audit Committee and thought it would be useful to return to at its next meeting.
- 27. Members asked what the IT and Business Support Officer thought of the IT audit report undertaken by CCW and queried the deadlines outlined in the IT action plan. He responded to advise he thought the CCW audit report was very thorough and advised the July deadlines are on track.
- 28. A short update on the General Data Protection Regulations (GDPR) was provided, advising the Head of Regulation would be attending a training course in July 2017 to enable her to identify the changes that needed to be made to the Information Governance Framework.
- 29. Audit Committee were made aware of two pieces of internal audit work which would be reported at its next meeting. One was a review of the Professional Conduct Committee (PCC) cases which resulted in a decision of 'no case to answer'

to be undertaken by Bevan Brittan Solicitors. The other surrounds a health and safety audit undertaken by Praxis42, where the report is being developed into an action plan.

**Noted:** the Committee noted the internal audit update.

### **Item 10: Monitoring report**

30. The Registration and Resources Officer introduced the report which set out notifications of fraud, critical incidents, data breaches and corporate complaints.
31. Members were pleased to receive a clean monitoring report, noting the reinforcement provided to staff in the form of posters from the ICO, and continue to encourage staff to report data breaches as and when they occur.

**Noted:** the Committee noted the monitoring report.

### **Item 11: Forward work plan**

32. The Registration and Resources Officer introduced the forward work plan of the Committee and asked members to consider the content.
33. Members thought it would be useful to hold a risk management session at the next meeting and to receive internal audit updates on the IT action plan, fitness to practice cases audit and health and safety audit. Members also proposed to add in an action plan or checklist at the beginning of each meeting to ensure any work arising from the previous meeting had been carried out.

**Noted:** the Committee noted the forward work plan.

### **Item 12: Any other Business**

34. None.

### **Item 13: Date of next meeting**

35. The date of the next meeting will be Thursday 19 October 2017 time to be confirmed.