



To: Council
From: Leonie Milliner, Chief Executive
Date: 17 July 2019
Paper: C19/031

Committee Annual Reports

Classification	Public
Purpose	For noting
Issue	Each Committee is required to report annually on its work to Council.
Recommendations	To note the Annual Reports of: <ul style="list-style-type: none">a. Audit Committeeb. Policy Advisory Committeec. Remuneration and Appointments Committee
Financial and resourcing implications	None
Equality and diversity implications	None
Communications implications	None
Annexes	A. Annual Report of the Audit Committee 2018-19 B. Annual Report of the Policy Advisory Committee 2018-19 C. Annual Report of the Remuneration and Appointments Committee 2018-19

Audit Committee Annual Report (1 April 2018 – 31 March 2019)

1. The Audit Committee met on three occasions in the year in June 2018, October 2018 and March 2019.

Financial Audit, auditor evaluation, Annual Report

2. During the year under report the Audit Committee considered the Audit Findings document and draft Annual Report and Accounts for financial year 2017-18. The document set out the key issues affecting the financial results of the GOsC including the preparation of the financial statements. The Committee agreed the audit had been completed satisfactorily, and with no significant concerns identified, and that the document should go forward to Council with the Annual Report and Accounts.
3. The Committee considered an auditor evaluation framework for evaluating the performance of the external financial auditors. Audit Committee met the external auditors in private and questioned the Executive and the external auditors before noting the evaluation document.
4. The Committee received the external financial audit plan for 2018-19 which was agreed at the March 2019 meeting.
5. In June 2018 the Committee recommended to Council to reappoint the external financial auditors, Crowe UK LLP, for a further three-year period, covering financial audit years 2018-19, 2019-20 and 2020-21. Council approved the recommendation.

Statement of internal financial controls

6. Audit Committee received the statement of internal financial controls for annual review. The Audit Committee found the statement useful and noted the content.

Review of principal accounting policies

7. Audit Committee received the principal accounting policies for annual review in March 2019 and suggested amendments to enhance its clarity.

Terms of reference

8. During the course of the year, Audit Committee held discussions with the Executive about its terms of reference. The Chair of Council and the Chair of Audit Committee held a discussion outside of the meetings, and the Chair of Council attended the March 2019 meeting to aid the discussion. Suggested changes to the terms of reference were agreed and Council approved these changes at its meeting in May 2019.

Risk Register

9. At each meeting the Audit Committee reviewed the Risk Register which included a report presented by the Chief Executive and Registrar highlighting any movements in the risk level and discussion of action to manage risks.

Corporate Strategy 2019-2024

10. The Committee were asked by the Chief Executive to provide any feedback or suggestions on the development of the new Corporate Strategy plan and provided their thoughts and recommendations.

Performance Measurement

11. The Committee received the sixth completed performance measurement matrix and offered comments about how it may be improved for the future.

Audit Committee performance evaluation

12. The Committee completed a self-assessment of its performance which led to several changes throughout the year that included introducing private meetings between members and private sessions with the external financial auditors.

PSA Performance Review and consultation

13. The Audit Committee discussed the PSA Performance Report for the period covering 2017-18. The Committee noted that the GOsC had met all standards for the eighth year in succession.

Internal audit

14. In March 2018, the Executive asked the Committee that no internal audit activity take place between 2018-19 due to the implementation of the new CPD scheme which the Committee agreed. Instead it was agreed to discuss the scope of future internal audit work that would coincide with the Corporate Strategy plan.
15. The scope and breadth of planned internal audit activity covering the period 2019-2024 was discussed throughout the last year and the internal audit plan for the period was agreed at the end of the year.

Monitoring report

16. The Committee received a report at each meeting from the Executive on any serious events including fraud notification, data breaches and corporate complaints. In the year under report the Executive reported to the Committee four corporate complaints, four data breaches (of varying severity) and three serious events (one fraudulent registration application, one internal IT problem and one external IT failure).

17. The Committee received and agreed an assessment framework for identifying the severity of incidents and reportable events, in line with guidance from the Charity Commission, at its meeting in October 2018.

Forward work plan

18. At each meeting, the Committee received a report from the Executive which set out what items were likely to appear on future Audit Committee agendas. Audit Committee was able to comment upon the proposed future agendas. The forward work plan considered by Audit Committee in June 2019 is set out at the end of this report.

Membership

19. During the period 2018-19 the Audit Committee membership comprised:

Name	Member details	Dates of membership	Meetings attended
Chris Shapcott (Chair)	External lay member	All year	3/3
Martin Owen	External lay member	All year	3/3
Denis Shaughnessy	Council lay member	All year	3/3
Haidar Ramadan	Council registrant member	All year	3/3

Cost of the Audit Committee

20. It is estimated that the cost of the Audit Committee and its related activities, excluding staff time, is approximately £21k. This is calculated as follows:

Activity	Cost £
Committee members: fees and expenses	3,920
External audit fees	17,700
Total	21,620

Opinion of the Audit Committee

21. It is the opinion of the Audit Committee that its work during the past year is in line with the purpose and the Terms of Reference of the Committee. The Committee also believes Council can take assurance that the organisation has proper and appropriate systems in place to enable it to discharge its statutory responsibilities. The work reviewed by the Committee demonstrates the Executive has a mature approach to financial and non-financial control frameworks and a willingness to implement improvements where identified.

22. Council can take assurance that the controls upon which the organisation relies to manage risk are suitably designed, consistently applied and proportionate.
23. During the course of the year, the Committee has undertaken a wide range of activity as described in the report above. It is the view of the Committee that its approach has been supportive to the Executive while retaining the necessary rigour and challenge. In particular, we would draw Council's attention to our work around the terms of reference review, the monitoring of the implementation of the IT project and the continued scrutiny of risk.

Audit Committee terms of reference

The role of the Audit Committee is to provide advice that the necessary internal and external systems and processes are in place for identifying, managing and mitigating the risks relating to the discharge of the GOsC's statutory duties, and make recommendations for any actions to Council and the Executive as appropriate. To do this it will:

- a. Review and make recommendations to Council about the content and structure of the risk register at the start of each business planning cycle and keep it under review.
- b. Review and make recommendations to Council about the effectiveness and proportionality of the risk management process.
- c. Request and receive reports on the management of risk areas identified in the register and make recommendations to Council about improvements needed.
- d. Review the internal financial controls and advise Council on these controls.
- e. Make a recommendation to Council on the appointment of financial auditors to conduct the annual financial audit.
- f. Receive a report on preparations for the annual financial audit.
- g. Receive the audit report, Audit Findings Report (AFR), draft Annual Report and Accounts, and Governance Statement and make recommendations to Council on the approval of these, and monitor the implementation of agreed recommendations in the AFR.
- h. Approve proposals for the commissioning of audits of key functions within the organisation and to recommend any areas where special investigation might be necessary.
- i. Receive audit reports and the Executive's response and make recommendations to Council on the implementation of recommendations arising from such audits and investigations.

- j. Receive reports on any incidents reportable under the serious events framework, data breaches and corporate complaints or whistleblowing, and the Executive’s response to them, and make any recommendations to the Executive and Council.
- k. Receive reports on the Executive’s approach to organisational performance management and corporate governance and make any recommendations.
- l. Make an annual report to Council on the work of the Committee and an overall opinion on the management of risk within the GOsC.
- m. To review periodically its own effectiveness as a Committee.

Draft forward work plan

Meeting date	Agenda items
October 2019	<ul style="list-style-type: none"> • PSA Performance Review report 2018-19 • Performance measurement report • Internal audit update paper <p>Standing items:</p> <ul style="list-style-type: none"> • Updated Risk Register • Monitoring report • Forward work plan
March 2020	<ul style="list-style-type: none"> • Principal accounting policies – review • External financial audit planning documentation • Internal audit update paper <p>Standing items:</p> <ul style="list-style-type: none"> • Updated Risk Register • Monitoring report • Forward work plan
June 2020	<ul style="list-style-type: none"> • Audit Findings Report/draft Annual Report and Accounts • Auditor evaluation • Audit Committee Annual Report to Council • Statement of financial controls • Internal audit update <p>Standing items:</p> <ul style="list-style-type: none"> • Updated Risk Register • Monitoring report • Forward work plan

Annual Report of the Policy Advisory Committee 2018-19

Introduction

1. The role of the Policy Advisory Committee is to contribute to the development of Council policy across the breadth of its work including in education, professional standards, registration and fitness to practise.
2. The Committee performs the role of the statutory Education Committee under the Osteopaths Act 1993. The Committee has a 'general duty of promoting high standards of education and training in osteopathy and keeping provision made for that training under review'. It also has a key role to give advice to the Council about educational matters including the recognition and withdrawal of 'recognised qualifications' (see Sections 11 to 16 of the Osteopaths Act 1993).
3. The terms of reference of the Committee can be found at the end of the report.

Membership

4. The Committee consists of five members of Council and four external appointed members. The members of the Committee are listed below.
5. In addition, the member organisations of the Osteopathic Development Group are invited to send an observer with speaking rights to each meeting. Observers may not take part in any part of the meeting where the business is that reserved to the Statutory Education Committee.
6. The members of the Osteopathic Development Group are:
 - the Council of Osteopathic Education Institutions (COEI)
 - the Institute of Osteopathy (iO)
 - the National Council for Osteopathic Research (NCOR)
 - the Osteopathic Alliance (OA)
7. The Policy Advisory Committee met three times during the period under review – in June 2018, October 2018, and March 2019. This report summarises the work of the Committee. Full minutes of all the meetings have already been reported to Council.

Quality assurance of 'recognised qualifications'

8. During the course of the year, as part of our active approach to advising the Council about the recognition of qualifications, qualification change notifications and ensuring standards, the Committee considered, in relation to all osteopathic educational institutions (OEs) the following:

Activity	June 2018	October 2018	March 2019
Agreement to RQ specifications (including new RQs, renewal of RQs and monitoring visits)	Three OEIs		One OEI
Consideration of Education Visitor RQ report (including new RQs, renewal of RQs and monitoring visits)		One OEI	Three OEIs
RQ change notifications and consideration of reports and evidence submitted in relation to general and specific conditions	Four OEIs	Four OEIs	
Consideration of annual report analysis (including external examiner reports and internal annual monitoring reports and information about student fitness to practise.)			Nine OEIs
Consideration of eligibility of osteopathic educational institutions to have expiry dates removed			Nine OEIs (2 deferred to June 2019 Committee)

Quality Assurance - Procurement

9. The Committee agreed the proposed approach to the Quality Assurance major tender exercise at its meetings in June 2018 and October 2019. The Committee gave detailed consideration to the business case including the options for securing services and the process and personnel to be involved in the procurement. These matters will be considered further by Council in 2019.

Quality Assurance – Annual Report template 2018-19

10. The Committee agreed the annual report template to be completed by the osteopathic educational institutions for the 2017/18 academic year and due for

submission in December 2018 which forms part of the quality assurance picture for each osteopathic educational institution.

Quality Assurance Consultation and Review

11. The Committee have given detailed consideration and scrutiny to its role in quality assurance through 2017 and 2018.
12. In June 2018, the Committee considered the findings from the Quality Assurance consultation. The Committee considered the following:
 - a. The removal of expiry dates from 'recognised qualifications'
 - b. The publication of conditions
 - c. The procedure for managing concerns
 - d. Mechanisms for sustaining good practice
 - e. That there were no clear and specific answers to what a risk based or innovative model of quality assurance looked like and that this should be investigated further.
13. In October 2018, the Committee undertook a seminar to reflect on our current quality assurance processes, those of other regulators, and exploring the strengths and weaknesses of our own processes. The findings from this seminar will continue to inform our approach to quality assurance in 2019.
14. In March 2019, the Committee agreed an updated QAA / GOsC Handbook which included a range of updates including updated code of conduct, clearer definition of conditions for publication, publication of action plans, procedures for withdrawal of the visit team.
15. During 2018 and 2019, the Committee also oversaw a thematic review about the role of the external examiner. The Committee noted that it placed emphasis on the use and outcomes of the external examiner involvement as part of the assurance it needs to be assured about the RQ only being awarded to graduates meeting the Osteopathic Practice Standards. The review sought feedback from the institutions about the procedures in place at their institution or their validating institution, the strengths, areas of development and recommendations for improving assurance.
16. The conclusions of this review will be considered by the Committee at its meeting on 12 June 2019.
17. The Committee also agreed to a thematic review of patient and public involvement in osteopathic education which aimed to explore the various roles of patients contributing to the pre-registration education of osteopaths, identify areas of innovation and good practice, identify areas for development and to explore the experiences and expectations of patients and others contributing to osteopathic education. This review is ongoing.

Osteopathic Practice Standards (OPS) Implementation and evaluation

18. At its meetings in June 2018 and March 2019, the Committee agreed a detailed approach to the implementation, including an analysis in relation to all the stakeholder groups and also our own internal processes including fitness to practise and registration assessment. The Committee also gave detailed consideration to the implementation evaluation of the Osteopathic Practice Standards (2018) which come into force on 1 September 2019 and provided feedback on this.
19. At its meeting on 18 October 2018, the Committee considered updated registration assessment documentation to reflect the updated Osteopathic Practice Standards and provided feedback on this before it was agreed for consultation by Council in January 2019.

Continuing Professional Development (CPD)

20. At its meeting in October 2018, the Committee considered the implementation of the CPD scheme with particular reference to the risk register for the implementation of the CPD scheme and the development of the CPD evaluation survey to be launched in 2019. The Committee also considered the other sources of data providing assurance about the implementation of the CPD scheme including: registration renewal data and communications data and information. The Committee considered the importance of realising the benefits of the scheme and the challenge of measuring this over time.

Boundaries Literature Review

21. At its meeting in June 2018, the Committee considered an update about the boundaries and considered the literature review about communication and miscommunication in the context of touch. The Committee provided feedback about the report and agreed to a collaborative stakeholder workshop to respond to the findings and to support the scoping out of next steps.

Rule 19 Practice Note

22. The Committee provided detailed consideration to the draft Rule 19 Practice Note which was intended to provide greater transparency and consistency in approach to cancellation of hearings prior to it being agreed for consultation by Council.

Changes to the risk assessment process for fitness to practise

23. At its meeting on 18 October 2018, the Committee considered revisions to the risk assessment process used during fitness to practise investigations.

Assuring applicant qualifications

24. The Committee considered and provided feedback, at an early stage, on mechanisms to enhance assurance about qualifications presented by UK and international applicants.

Registration Assessor and Education Visitor – length of service

25. The Committee considered and provided feedback about the length of service of Registration Assessors and Education Visitors and also approaches for development in these roles.

Risk Register

26. At its meeting on 12 June 2018, the Committee considered Council’s Risk Register.

Membership

27. During the period April 2018 to March 2019 the Policy Advisory Committee membership comprised:

Name	Member details	Meetings attended
Dr Marvelle Brown	External lay member	2/3
John Chaffey	Council registrant member	3/3
Bob Davies	External lay member	3/3
Elizabeth Elander	Council registrant member	3/3
Dr Bill Gunnyeon (Chair)	Council lay member	3/3
Dr Joan Martin	Council lay member	2/3
Professor Raymond Playford	External lay member	3/3
Alison White	Council lay member	3/3
Nick Woodhead	External lay member	2/3

28. Members’ allowances and expenses for the Committee in 2018-19 were £14,250. In 2017-18 members’ allowances and expenses were £9,888. The increase is due to external venue costs and increased claims.

29. Observers with speaking rights attended:

Name	Meetings attended
The Council for Osteopathic Education Institutions	2
The Institute of Osteopathy	3
The National Council for Osteopathic Research	3
The Osteopathic Alliance	1

Terms of reference and membership of the Policy Advisory Committee

The role of the Policy Advisory Committee is to contribute to the development of Council policy. To do this it will:

- a. Advise Council on all matters of policy including:
 - i. The standards required for initial registration and appropriate means for assessing those standards.
 - ii. On all matters relating to pre-registration education and training of osteopaths, including the standards of osteopathic practice required for registration.
 - iii. Post-registration education and training, including the requirements for ensuring osteopaths remain fit to practise.
 - iv. The management, investigation and adjudication of concerns about the fitness to practise of registrants.
 - v. Matters relating to the exercise of powers under section 32 of the act (protection of title).
 - vi. The development of the osteopathic profession.
 - vii. Measures to encourage research and research dissemination within the osteopathic profession.
 - viii. Any research needs to support the GOsC's work.
- b. Take into account the decisions of fitness to practise committees, information from the PSA and other relevant sources, and external legal or other requirements.
- c. Ensure that policy development has been informed by effective engagement with the full range of the GOsC's stakeholders.
- d. Make an annual report for Council on the work of the Committee.

The Committee will also undertake the statutory functions that are reserved to the Education Committee, which are to:

- a. Advise Council on the recognition of qualifications in accordance with section 14(6) of the Act.
- b. Appoint and manage the performance of visitors to conduct the evaluation of courses under section 12 of the Act.
- c. Advise Council on matters relating to the withdrawal of recognition of a qualification in accordance with sections 16(1) and 18(5) of the Act.

- d. Exercise powers to require information from osteopathic educational institutions in connection with its statutory functions in accordance with Section 18 of the Act.

Remuneration and Appointments Committee Annual Report 2018-19

1. The Committee met on three occasions from 1 April 2018 until 31 March 2019, in June 2018, October 2018 and March 2019.

Staff pay

2. The Committee approved an across the board increase for GOsC staff of 3%, taking into consideration: the inflationary trend over the previous 12 months; affordability; and pay trends in the identified market.

Reward and recognition review

3. The Committee approved for an external review of the reward and recognition strategy to be undertaken in 2019.
4. The brief for an external consultant is still being considered by the committee, following feedback from potential tenderers regarding its scope. The committee will consider this further at its meeting in October 2019.

Chief Executive recruitment

5. The Committee approved the Chief Executive recruitment process, taking into consideration:
 - i. the timetable;
 - ii. the tender process and recruitment firms invited to take part;
 - iii. the interview selection process;
 - iv. the process for informing Council of Tim's resignation and how they could be involved in the selection process.
 - v. The process for reviewing and publishing recruitment documentation;
 - vi. the longlisting process and market feedback;
 - vii. diversity of applicants and
 - viii. the rationale for appointing the preferred candidate.

Members' allowances and expenses 2019-20

6. The Committee considered members' allowances and expenses, making the following recommendations, which were approved by Council:
 - i. An increase to the Chair of Council annual allowance to £27,000 from 1 April 2020 for four years.

- ii. To freeze the responsibility allowances paid to Council members at £7,500 per annum from 1 April 2020 for four years.
- iii. To a freeze in the responsibility allowances for the Chairs of the Audit Committee and Policy Advisory Committee at £2,250 per annum from 1 April 2020 for four years.
- iv. To further consider the day rates for all other non-executives from 1 April 2020 at the October 2019 meeting.
- v. Not to make any changes to Council member expenses.

Appointments

- 7. The Committee considered the following non-executive appointments processes and made the below recommendations, which were approved by Council:
 - a. Chair of Council and Council member recruitment
 - b. Investigating Committee Chair recruitment
 - c. External member of Audit Committee
 - d. Investigating Committee, two registrant members
- 8. The Committee considered re-appointment processes for:
 - a. Council members

Staff turnover

- 9. The staff turnover percentage was 20% for the period 1 Apr 2018 to 31 March 2019 compared to 18% for the period 1 Apr 2017 to 31 March 2019.

Committee membership

- 10. Membership of the Committee during the year was as follows:

Name	Member details	Dates of membership	Meetings attended
Alison White (Chair)	Council lay member	All year	3/3
Sarah Botterill	Council lay member	All year	3/3

Deborah Smith	Council registrant member	All year	3/3
Simeon London	Council registrant member	All year	3/3
Ian Muir	External lay member	All year	3/3

Cost of Remuneration and Appointments Committee-related work

11. It is estimated the costs of running the Remuneration and Appointments Committee and its related activities, excluding staff time, is £2.2k in 2018-19 compared to £5k in 2017-18, reflecting the lower level of non-executive recruitment activity in the year. This is calculated as follows set out below along with the employment costs of the GOsC.

Committee-related	Costs 2018-19 £	Costs 2017-18 £
Committee members: fees and expenses	1,192	977
Governance appointments	1,059	4,114
Total	2,251	5,091
Employment costs for all GOsC		
Wages and salaries	1,118,747	1,097,742
Social security costs	118,313	118,253
Other pension costs	99,424	96,088
Recruitment	65,158	29,069
Learning and development	20,615	30,023
Other employment costs	13,040	15,478
Total	1,435,490	1,386,653

Remuneration and Appointments Committee (RAC)

Terms of Reference

The Remuneration and Appointments Committee oversees appointment, performance and remuneration policy in relation to Council, non-executives¹ and staff of the GOsC and makes recommendations to Council. To do this it will:

¹ Non-executives are defined as members of Council, statutory and non-statutory committees and any other individuals, other than the Chief Executive and the executive team, appointed from time to time to undertake tasks on behalf of Council.

Agenda item 16: Paper C19/031 **Annex C**

- a. Advise Council on the arrangements for the appointment, induction and performance review of the Chair and members of Council in accordance with the PSA's standards.
- b. Appoint the panel, including independent members, for appointing the Chair and members of Council.
- c. Provide assurance of high standards in the appointment and performance review of all other Council appointees including non-Council members of committees and other Council appointees.
- d. Advise Council on its structure, composition and competences.
- e. Make arrangements for the performance review process for Council as a whole.
- f. Make arrangements for the appointment of the Chief Executive and make a recommendation to Council.
- g. Consider and approve the remuneration of the Chief Executive on an annual basis.
- h. Receive an annual report from the Chief Executive on HR strategy.
- i. Consider and approve recommendations of the Chief Executive in relation to pay, performance and reward of all other staff.
- j. Consider any issues in relation to the remuneration of non-executives, review the remuneration of non-executives annually and make recommendations to Council.
- k. Consider any issues in relation to the performance review of non-executive members and make recommendations to Council.
- l. Make an annual report to Council on the work of the Committee.