



**Council
17 July 2019
Annual Report and Accounts**

Classification Public

Purpose For decision

Issue Approve the publication of the Annual Report and Accounts for the financial year 2018-19.

Recommendations

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.
3. To note the annual reporting requirements associated with the Charity Commission.

Financial and resourcing implications The Annual Report and Accounts have been 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

- A. Annual Report and Accounts 2018-19
- B. Audit Findings Report
- C. Letter of representation

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Background

1. The General Osteopathic Council (GOsC) publishes its accounts as soon as reasonably practicable after they have been audited and provides copies to the Privy Council to be laid before Parliament.
2. The 2018-19 accounts are the second set of accounts produced since the GOsC became a registered charity. The accounts will also be submitted to the Charity Commission alongside a charity Annual Return.
3. The financial audit was conducted for the third time by Crowe in May 2019. Following the conclusion of the audit, Crowe produced an Audit Findings Report (AFR) which highlighted the key issues affecting the results of the GOsC and the preparation of the financial statements.
4. The AFR was presented to the Audit Committee by Tim Redwood, Partner, on 27 June 2019 and is attached at Annex A for Council members only. At the request of Crowe, the AFR will not be made publicly available online.
5. 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.
6. The papers are sent out approximately two weeks before the Council meeting. If a member of Council identifies a significant problem with the Annual Report and Accounts, this should be drawn to the attention of the Executive in advance of the meeting. This is to ensure that the Annual Report and Accounts can be signed at the July Council meeting by the Chair of Council.

Discussion

7. A summary of the issues outlined in the ARF, and considered by the Audit Committee, are set out below:

Potential for significant risk finding	Conclusion
Recognition of registration fees	No significant issues were identified.
Completeness of liabilities in respect of Professional Conduct Committee cases	No significant issues were identified.
Management override of controls	No significant issues were identified.
Payroll	No significant issues were identified.
Board and Committee allowances and expenses	No significant issues were identified.
Investments	No significant issues were identified although a minor reclassification in how the investment is presented in the

	Statement of Financial Activities was proposed and accepted by management.
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8. It was reported by the Audit Partner that the audit had again gone very smoothly with one minor deficiency in the control environment identified. This is addressed in the AFR with the management response.
9. Audit Committee were content to recommend to Council that the Annual Report and Accounts be signed by the Chair of Council at the 17 July meeting.

Financial position summary

10. At the end of the financial year 2018-19, the GOsC had a surplus after designated spending of £93k.
11. Council will recall in May 2018 that the oral financial report spoke of a small surplus before designated spending. This had been delivered by the Executive; however, just prior to the Audit Committee two matters arose which required the accounts to be amended.
12. Firstly, we became aware that Southwark Council had awarded GOsC a back-dated business rate refund of £175k. Southwark Council have credited the GOsC business rate account, but we have not yet received the refund into our bank account. As the award was made by Southwark Council before our year-end, we concluded after discussion with Crowe that the accounts needed to be amended.
13. Secondly, we received the High-Court approved judgment in the case of Beard on 24 June 2019. The appeal was allowed which means that GOsC is liable for costs incurred by the Appellant. The accounts have been adjusted to reflect expenditure of c.£60k.
14. As at 31 March 2019, the Balance Sheet remains healthy with Total Reserves equal to £2.6m.
15. Because of receiving such a sizeable business rate refund, at the year-end we left holding reserves which are greater than the target range agreed by Council of £350k-£700k. The table below shows how this has been calculated.

Description	£
Funds held	2,616,241
Restricted funds	-
Designated funds	(32,498)
Operational fixed assets	(1,808,968)
Funds remaining	774,775

Annual Reporting requirements

16. Once the Chair of Council has signed the Annual Report and Accounts, the following steps will be followed:
 - a. Annual Report and Accounts couriered to Crowe for signing by the Audit Partner on the afternoon of 17 July 2019.
 - b. Designed and typeset Annual Report and Accounts presented to Privy Council for pre-laying approval.
 - c. Privy Council sign-off Annual Report and Accounts and confirm number of copies required for laying in front of both Houses of Parliament; the number of copies required for the Welsh Assembly and the number of copies required for the Votes Office of the House of Lords.
 - d. Annual Report and Accounts laid before both Houses of Parliament by 30 September 2019.
 - e. Annual Report and Accounts published on GOsC website after document laid before both Houses of Parliament.
 - f. Annual Report and Accounts filed with the Charity Commission along with an Annual Return that covers such things as:
 - i. Income (including from overseas sources)
 - ii. Senior salaries
 - iii. Payments to trustees
 - iv. Risk management
 - v. Safeguarding
 - vi. Serious incidents.

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