



Audit Committee

Minutes of the 43rd meeting of the Audit Committee held on
Thursday 25 June 2020

Unconfirmed

Chair: Chris Shapcott

Present: Graham Masters
Denis Shaughnessy
Deborah Smith

In Attendance: Ben Chambers, Registration and Resources Officer
Matthew Redford, Chief Executive and Registrar
Tim Redwood, Crowe Audit Partner (Items 1-4)

Item 1: Welcome and apologies

1. The Chair welcomed all participants to the meeting.
2. Congratulations were offered to Matthew Redford on his appointment as Chief Executive and Registrar.

Item 2: Minutes and matters arising from the meeting of 19 March 2020

3. The minutes of the meeting of 19 March 2020 were agreed as a correct record.
4. Members asked when they could receive the additional information about the investment controls. The Chief Executive responded, advising the Committee receives the statement of financial controls on an annual basis and that this can be scheduled for October 2020.

Item 3: Audit findings report 2019-2020 and draft Annual Report and Accounts

5. The Registration and Resources Officer introduced the item.
6. He advised that the audit findings report (AFR) was clean with no control points being identified, and that the audit had been conducted remotely this year due to the COVID-19 pandemic. He added that as the AFR was clean, this should provide members with the assurance the internal financial controls are robust.

7. He passed the item over to the Audit Partner who discussed the AFR and the audit which had taken place in May 2020. The following areas were highlighted during the discussion:
 - a. The audit had gone very smoothly, and thanks were expressed to the Registration and Resources team for their work. Members thought it should rightly recognise the achievement of the GOsC staff team to achieve a clean audit, taking into account it was undertaken remotely due to COVID-19 and that the appointment of the now permanent Chief Executive and Registrar had led to changes to the control environment.
 - b. No control points were identified by the auditors.
 - c. The integrity of the internal control framework provides Audit Committee with confidence, seeing as no control points were identified during the audit.
 - d. The Audit Partner noted that at this stage, there was no indication of material uncertainty relating to going concern. Members agreed that the impact of COVID-19 was currently manageable, considering the resources available to GOsC and asked what would happen if this changed during the year. The Audit Partner advised that once the Annual Report and Accounts were signed, this could not be amended and any change to going concern would be dealt with in the following report. He did say if this happened during the year, GOsC would need to consider its serious events framework and whether this would need to be reported to the Charity Commission as a serious incident.
 - e. In response to a question about management of the financial position, the Chief Executive reported that Council were receiving monthly reports that included financial and registration data to assist them in making decisions such as managing the business cash flow.
 - f. Members highlighted that Crowe AFR referred to workplace bullying in charities and the implications for leadership. It was suggested the GOsC may want to take this into account as part of our ongoing equality diversity and inclusion work. The Executive agreed to consider this as part of future EDI work.
8. Members questioned the auditors on the reporting of fraud and error. The auditors reported that the GOsC Executive follow best practice in reporting to the Audit Committee at each meeting, stating that GOsC would be in the upper quartile when compared with similar charities and organisations.
9. Members undertook a page-by-page review of the Annual Report and Accounts, highlighting areas where the financial report and disclosure wording/notes could be

modified. The suggestions would be incorporated into the designed version before the dispatch of the Annual Report and Accounts to Council and the auditors.

Agreed: the Committee agreed the Audit Findings Report and draft Annual Report and Accounts, subject to the amendments discussed at the meeting, which would be presented to Council in July 2020 for approval and signing.

Item 4: Auditor evaluation

10. The Registration and Resources Officer introduced the item which is a standing item for the annual July meeting.
11. He noted that the evaluation framework was completed with a default rating of 'satisfied' for each element and it was up to the Committee to consider whether they agreed.
12. Audit Committee discussed the item and confirmed they were satisfied with the performance of the auditors. They noted it was a significant achievement to complete the audit remotely during these difficult circumstances and thanked Crowe for their work.
13. Members had a query on how long Crowe had left on their tenure. The Executive responded to advise Crowe would complete the financial audit for 2020-21 and then there would be a tender process for new financial auditors and Audit Committee would have the opportunity to discuss that process in late 2021.

Considered: the Committee considered the auditor evaluation framework and were satisfied with the performance of the auditors.

14. The Audit Partner left the meeting at the conclusion of this item.

Item 5: Audit Committee Annual Report 2019-20

15. The Registration and Resources Officer introduced the paper which set out the work of the Audit Committee over the year 2019-20. He advised that the paper had been seen by the Chair of the Audit Committee prior to the dispatch of the papers.
16. Members advised the risk register section should state that the Audit Committee are continually reviewing the content and structure of the risk register to aid Council's decision-making process.
17. There should be an additional paragraph under the section on assurance audits, advising that due to the COVID-19 pandemic, assurance audits were currently on hold so that the Executive's resources are used to deal with this ongoing crisis.

18. Additionally, members thought a footnote at paragraph 16 should be added to explain member attendance as one member had been appointed just before the last meeting in the year under report which did not currently reflect in the report. Similarly, members thought an additional paragraph should be added under the section relating to the statement of internal financial controls, which linked the reason for the additional costs incurred in the year to the table detailing the cost of the Audit Committee later in the paper.

Agreed: Audit Committee agreed the content of the Annual Report, subject to the discussed changes, to be submitted to Council in July 2020.

Item 6: Audit Committee performance evaluation: summary of results

19. The Registration and Resources Officer introduced a paper summarising the results of the Audit Committee performance evaluation. The paper, based on responses from Audit Committee members, highlighted a general view that the committee was performing well.
20. Members were asked to clarify the comment made around the clarity of decisions made or actions to review in the minutes. Members advised that any decisions made were reflected correctly in the minutes but felt an action log/matters arising report would be beneficial moving forward. The Chief Executive advised that a matters arising report goes to Council at each meeting and we will bring this to Audit Committee at its October meeting, looking back at the full calendar year, to pick up on any actions not yet completed.

Considered: the Audit Committee considered the performance evaluation summary of results.

Item 7: Risk Register

21. The Chief Executive and Registrar introduced the paper which is a standing item for the Committee.
22. He outlined the changes in movement on the risk register and highlighted the three 'red' risks currently listed within the document. He added that members have already noted earlier in today's discussion, that the risk register is not a static document and is currently changing at pace due to COVID-19.
23. He added the meeting of Audit Committee in March 2020 was helpful, as the existing risk register has been used to incorporate the risks relating to COVID-19, rather than creating a separate risk register.

24. He briefly outlined the risk of COVID-19 and the possibility of re-opening the office. It was important to note that staff needed to be included in the planning of the office re-opening and as over 40% of staff fell into the BAME community, the Executive would need to carefully consider COVID-19 impacts, social distancing and all other measures before making any decision as to when to consider the re-opening of Osteopathy House.
25. He added that he has been identifying the types of activities GOsC cannot undertake at home and whether this stops us delivering our statutory duties. He advised it was important to note that there are no public protection issues arising from the home working scenario.
26. Members asked about the wellbeing of staff and whether there would be any long-term progression for staff to work at home, providing our statutory duties could still be undertaken. They also raised a question about whether there were plans or a procedure in place in the event an osteopathic educational institution (OEI) was forced to close its doors.
27. The Chief Executive responded to the first point by agreeing, stating the COVID-19 pandemic had removed many misconceptions around home working due to the enforced period of lockdown. He said it has been a catalyst of positive change for home working and would allow GOsC to consider how we operate. He added that home working would be a longer-term solution for some employees.
28. Currently the OEI risk is a heightened risk/concern at the moment due to the impact of COVID-19. The Policy and Education Committee considered actions the OEIs were taking at its last meeting as to whether those final year students graduating during COVID-19 were still meeting the Osteopathic Practice Standards (OPS), and it was confirmed the right actions were being taken by the OEIs.
29. The Chief Executive added in the event an OEI had to close, the GOsC had a statutory duty to try to help students find alternative educational opportunities at other OEIs. He provided members with assurance that the OEIs were in close contact with each other during the pandemic.
30. Members noted that home working had lots of advantages, but careful management was required to ensure staff do not feel isolated. The Chief Executive recognised this and advised members that staff had the opportunity to raise any concerns or difficulties at any point in time with their managers and that regular virtual coffee mornings/afternoons took place to enable staff to interact.
31. A short discussion took place around going concern where it was agreed that at present, this was under control but would need to be kept under careful review.

32. The Chief Executive noted that the GOsC Coronavirus Amendment Order 2020 had been laid before Parliament this week which would now allow GOsC to service renewal of registration reminders and notices, together with fitness to practice documents, via email instead of via the post.
33. It was suggested the impact description for the first risk on the register be reworded, and further consideration be given to the target scoring of some risks. The Chief Executive responded to advise the wording of the risk in question will be amended and that the target scoring remained unchanged, due to the COVID-19 pandemic. The Committee felt this should have been referenced in the covering paper and the Executive agreed to update the report prior to it being sent to Council.
34. Members agreed the final two risks on the risk register could be removed, in line with the Executive's recommendation.

Considered: the Committee considered the updated risk register.

Item 8: Performance measurement report

35. The Chief Executive and Registrar introduced the paper which was noted by the Committee. He noted that in 2019, Council asked the Executive to bring forward the report as it was not seeing the performance measures until October, which it felt was too late after the end of the financial and business year.
36. The Committee raised the question about whether there should be a note about the appeal that was upheld, advising Council had addressed this.
37. The Chief Executive advised that Council had a long discussion at its July 2019 meeting in private about this appeal with subsequent updates in November 2019 and January 2020 on the actions taken. He added updated interim guidance on questioning witness was being provided to Council at its July 2020 meeting. Council members of the Audit Committee confirmed that Council had scrutinised this in detail and there should be a note of this included in the performance measurement report. The Chief Executive agreed to add a note to report.
38. Members raised a question about the level of complaints received over recent years. The Chief Executive responded to advise that complaint numbers vary and there has been no significant upward or downward trend. It was noted by members that it was difficult to identify trends as the number of complaints received each year is very small. The Executive advised it would be happy to circulate the report published by the National Council of Osteopathic Research (NCOR) which captures information about the types of concerns received.

Noted: the Committee noted the performance measurement report.

Item 9: Monitoring Report

39. The Registration and Resources Officer introduced the monitoring report which is a standing item for the Committee.
40. It was noted that the Executive recently shared Charity Commission guidance with both Council and Audit Committee members which provided additional guidance around reporting serious incidents during the coronavirus pandemic.
41. The report included one data breach within the 'low' category and one corporate complaint, both of which were noted by the Committee.
42. A question was raised concerning potential changes to the Chief Executive's email address as following their appointment, they will be in receipt of confidential information and there is an individual who works at the Institute of Osteopathy with a similar name and email address. The Committee also asked whether members of Council should have GOsC email addresses and the Chief Executive advised he would take this away and discuss the matter with the Chair of Council and the IT Manager respectively.

Considered: the Committee considered the monitoring report.

Item 10: Forward work plan

43. The Registration and Resources Officer introduced the forward work plan of the Committee and asked members to consider the content.
44. Members raised a question about whether Crowe were reappointed each year by Council. The Chief Executive advised Crowe were initially appointed for a three-year term with the option to extend for a further two years, subject to satisfactory performance. Crowe will conduct the external financial audit for 2020-21 and then a tender process would commence. He advised this would be brought to the Committee in October 2021.

Considered: the Committee considered the forward work plan.

Item 11: Any other business

45. No other business was raised.

Item 12: Date of next meeting The date of the next meeting will be 10:00am 08 October 2020.