



**Council
20 July 2021
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 the Audit Committee.
Financial and resourcing implications	The cost of each committee is contained within the respective annual report.
Equality and diversity implications	<p>Each committee considers matters relating to equality and diversity and these are set out in more detail within the Committee Annual Reports.</p> <p>In the reporting year Audit Committee commissioned an independent audit of our approach to Equality, Diversity and Inclusion.</p>
Communications implications	None arising.
Annexes	A. Audit Committee Annual Report
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Audit Committee Annual Report (1 April 2020 - 31 March 2021)

1. The Audit Committee met on three occasions in the year in June 2020, October 2020 and March 2021. All of these meetings took place online due to the COVID-19 pandemic.

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 2019-20. 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, 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 with 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 2020-21 which was agreed at the March 2021 meeting.

Statement of internal financial controls

5. Audit Committee received the statement of internal financial controls for review in October 2020 and March 2021. The Audit Committee found the revised statement useful and made comments on the content.

Review of principal accounting policies

6. Audit Committee received the principal accounting policies for annual review in March 2021 which were noted.

Risk Register

7. 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.
8. At each meeting, special attention was given by members to the risk of COVID-19 and its impact throughout FY2020-21.

Performance Measurement

9. The Committee received the eighth completed performance measurement matrix and offered comments about how it may be improved for the future. This followed Council's request for the Committee to provide their views on the current performance measurement tool whilst a review took place.

Annex A to 11

10. The Committee provided their in-depth views on the current performance measurement tool to the Executive which would help the development of a new measurement tool.

Audit Committee performance evaluation

11. The Committee completed a self-assessment of its performance which led to the introducing of a new standing item at each meeting, the matters arising report.

PSA Performance Review and consultation

12. The Audit Committee discussed the PSA Performance Report for the period covering 2019-20. The Committee noted that the GOsC had met all standards for the tenth year in succession.

Assurance audits

13. In March 2020, Audit Committee agreed the scope of two assurance audits which were to look at Governance and at Equality, Diversity and Inclusion (EDI). This work was scheduled for the summer of 2020, but was postponed due to the global pandemic.
14. These pieces of assurance audit were completed at the end of 2020 and at its March 2021 meeting were presented to the Committee for review, comment and analysis.
15. The Committee scrutinised the EDI audit report and were satisfied there were no identified breaches in the Equality Act 2010 and the Human Rights Act 1988.
16. Members provided detailed feedback on both pieces of audit work to the Executive.
17. The Committee also agreed the scope for two pieces of audit work to be completed in 2021-22, Fitness to Practise and Assessment of GOsC performance in the context of Regulatory Reform.

Monitoring report

18. 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 two corporate complaints, three data breaches (all of 'low' severity) and no serious events (including fraud).
19. Additionally, from March 2021, the Committee now review a new section of the monitoring report relating to PSA learning points. This sets out any learning points the PSA provide to the GOsC following review of its committee's fitness to practise decisions.

Annex A to 11

Forward work plan

20. 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.

Membership

21. During the period 2020-2021 the Audit Committee membership comprised:

Name	Member details	Dates of membership	Meetings attended
Chris Shapcott (Chair)	External lay member	All year	3/3
Graham Masters	External lay member	All year	3/3
Denis Shaughnessy	Council lay member	All year	3/3
Deborah Smith	Council registrant member	All year	3/3

Cost of the Audit Committee

22. It is estimated that the cost of the Audit Committee and its related activities, excluding staff time, is approximately £18k. This is calculated as follows:

Activity	Cost £
Committee members: fees and expenses	2,862
External financial audit fee	15,500
Total	18,362

Opinion of the Audit Committee

23. 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.

24. Council can take assurance that the controls upon which the organisation relies to manage risk are suitably designed, consistently applied and proportionate.

Annex A to 11

25. 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 review of the two pieces of assurance audit activity, Governance and Equality, Diversity and Inclusion, and the continued scrutiny of risk with particular note to our careful examination of the COVID-19 risk throughout the year.

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.