



Audit Committee

Minutes of the 46th meeting of the Audit Committee held on
Thursday 24 June 2021

Chair: Chris Shapcott

Present: Graham Masters
Dr Denis Shaughnessy
Deborah Smith

In Attendance: Ben Chambers, Senior Registration Officer
Dr Bill Gunnyeon, Chair of Council (observer)
Matthew Redford, Chief Executive and Registrar
Tim Redwood, Crowe Audit Partner (Item 4 and 5)
Maxine Supersaud, Interim Head of Resources and Assurance

Item 1: Welcome and apologies

1. No apologies were received.

Item 2: Minutes from the meeting of 25 March 2021

2. The minutes of the meeting of 25 March 2021 were agreed as a correct record.

Item 3: Matters arising report

3. The Senior Registration Officer introduced the report, noting any outstanding actions from the prior meeting were to be included within this report. It was noted any items not listed as 'completed' on the matters arising report would remain and be carried forward to the next meeting.

Noted: the Committee noted the matters arising report.

Item 4: Audit Findings report 2020-2021 and draft Annual Report and Accounts

4. The Interim Head of Resources and Assurance briefly introduced the report, before passing to the Crowe representative.

5. The Crowe Audit Partner outlined their Audit Findings Report in detail before members of the Audit Committee were invited to ask questions.
6. The following areas were highlighted during the discussion:
 - a. The audit findings report was clean with two minor control points.
 - b. The two control points were discussed and with regard to the first control point around registration fees, the Audit Partner advised he was content no material misstatement had occurred and this was confirmed by the work and reports generated by the management team.
 - c. A detailed discussion took place surrounding the recent case of the Nursing and Midwifery Council (NMC) and the NMC's fitness to practice panel members. The employment tribunal case (which may be subject to appeal) found that panel members are workers with the result being a potential liability in respect of holiday pay. This case does represent a potential precedent with respect to members of fitness to practice members across all regulators.
 - d. Provision criteria was discussed. Members noted Council would need to make the final judgement and be appraised of this potential future issue. The Audit Partner advised members that the NMC had treated this as a provision in the last set of accounts he had seen.
 - e. The Chief Executive and Registrar advised that we were being cautious on this and that there was a general concern that the NMC case would set a precedent, regardless of how individual contracts are drafted.
 - f. The Chair of Council added that it was useful to hear the comprehensive discussion amongst the Audit Committee. If other regulators (such as the NMC) improve or amend their contract terms, other regulators with potentially less attractive contract terms and conditions may not be able to recruit the best candidates as easily, given all regulators recruit from similar pools, so this would be something Council might need to consider in the future.
 - g. It was noted that fitness to practice members were already aware of the ongoing employment tribunal case.
 - h. In conclusion, members agreed to retain the provision in the accounts and that this would be referred to Council in July 2021.
 - i. A question was raised on the level of reserves in respect to legal costs. The Chief Executive and Registrar responded to advise the operational budget was signed off by Council in February 2021 and did not include, at that stage, costs

associated with any future Court of Appeal case. He noted that Council's meeting in July 2021 would include a review of reserves and investments.

- j. A question arose on bad debt. Members were advised that in the early months of the pandemic to assist osteopaths within the limits of the GOsC's legislation surrounding registration fees, Council decided to defer collection of direct debit instalments by two months for those osteopaths who renewed in May, June, July and August 2021. For example an osteopath who renewed in May 2020 and paid by direct debit, the first instalment would be collected in July 2020. This means for the financial year 2020-21 only, the bad debt figure in the accounts would appear artificially high.

Agreed: the Committee agreed the audit findings report and the draft annual report and accounts, recommending these be presented to Council in July 2021.

Item 5: Auditor evaluation

- 7. The Interim Head of Resources and Assurance introduced the paper, a standard report at the June meeting.
- 8. She noted the backdrop to the audit this year has been unique - the whole staff team working remotely for the entire financial year – and that no issues have arisen is a reflection of the working practices of both organisations.
- 9. Members were content with the position of the auditor evaluation framework which was approved.
- 10. The Audit Partner left the meeting at the conclusion of this item.

Agreed: the Committee agreed the auditor evaluation.

Item 6: Audit Committee Annual Report 2020-21

- 11. The Senior Registration Officer introduced the report, a standing paper at the June meeting.
- 12. He noted the report outlined the work of the Audit Committee over the past financial year and that once agreed, this would be presented to Council at its July meeting by the Chair of the Audit Committee.
- 13. Members were content with the annual report which was approved.

Agreed: the Committee agreed the annual report which will be presented to Council in July.

Item 7: Audit Committee performance evaluation

14. The Senior Registration Officer introduced the report.
15. As Audit Committee are required to review its own effectiveness periodically, feedback was obtained from members in the form of a survey and was being shared collectively in the report. He added that two pieces of feedback were drawn out; whether there was any merit to the future Chair of Audit Committee being a Council member and whether another terms of reference review was required.
16. During discussion, members thought it would be a helpful development if the next Chair of Audit Committee was a Council member. They thought it would be more cohesive as other Council members act as Chairs for other committees but they did note that the appointment of the Council member would need to be based on their qualifications and experience so these skills could be extrapolated to the role of Chair of Audit Committee.
17. It was noted by the Chief Executive and Registrar that there would be no issues or barriers in terms of the GOsC's constitution order for the Chair of Audit Committee to be a member of Council.
18. The Chair of Council added that it was interesting to hear the discussion taking place, that he could see arguments for both sides, and that he thought it would take some time if this was the route Council chose as a Council member vacancy would need to arise first.
19. In conclusion, members were sympathetic and largely supportive of this proposal but that ultimately it was a discussion and decision for Council.
20. Turning to the second discussion point, members thought a terms of reference review was not currently needed as the last detailed review was completed in 2019. Members thought it would be useful for a terms of reference review to be undertaken in 2022 when the new Chair of Audit Committee was in post.

Item 8: Risk Register

21. The Chief Executive and Registrar introduced the paper which set out the updated risk register.
22. He briefly outlined the changes to the narrative and advised there had been a new risk added to the report, which was around the the independent review commissioned by the Department of Health and Social Care (DHSC) into the number of regulators.

23. He added this was set out as a risk as the options presented might adversely impact on patient safety and/or a reduction in status for the profession.
24. Members drew out the staff health and well-being risk and asked for an update. The Chief Executive and Registrar advised that a hybrid model of return to work would be introduced (split between home and office working). Due to the continuation of government restrictions, this was scheduled to commence from the beginning of August. He added that management were working collaboratively with staff and learning lessons together, so that the GOsC as an employer can get this right.
25. Members queried whether the impact of the first risk, delay to regulatory reform, was really as high as calculated. The Chief Executive and Registrar responded to advise that the fitness to practice system was a long prescriptive process which does not reflect people are going through a challenging and difficult process. He added GOsC has put in place a number of resources to support complainants and registrants but we can only do so much under the limits and barriers of the current legislative process.
26. Members raised a question on the impact of the IT risk. The Chief Executive and Registrar advised we were currently in the process of updating its existing CRM system and in the existing system, there is some data which is easily exportable and other data which is not. He advised the upgrade activity was happening currently and would anticipate this risk will reduce in impact as the updated CRM system is rolled out.
27. Members asked whether cyber security (both systems and people) should be drawn out more in the IT security risk. The Chief Executive and Registrar advised he was happy to take that away and review the way the risk was described. He advised, in terms of equipment, all staff had been issued with laptops for home working which in the event a member of staff left the organisation at short notice, could be remotely accessed and wiped by the IT Manager.
28. Members made a general comment that the risk register was much easier to review and navigate in its revised format.
29. Members queried whether the risk around the CPD three-year cycle needed to be revised or reviewed, given all osteopaths were well into the new scheme. The Chief Executive and Registrar advised due to the rolling renewal dates for osteopaths and the introduction of the new CPD legislation in 2018, it would take one year for all osteopaths to complete their first full CPD cycle (between October 2021 and September 2022). Currently audits are taking place on registrant's annual CPD declarations to make sure osteopaths are broadly on top of their CPD requirements. Due to this, he would not want to retire the CPD risk from the register yet but next

year, there will be much more evidence and data that registrants are completing the requirements of the scheme so this risk can be reviewed at the end of 2022.

30. Members noted that the risk definitions could include a financial assessment and that should be added to the matters arising report. The Executive agreed to consider this for future iterations presented to the Committee.

Considered: the Committee considered the risk register.

Item 9: Performance measurement report

31. The Chief Executive and Registrar introduced the report and outlined the small number of changes made since the last iteration.
32. Members were impressed with how positive the majority of measurements were, taking into account the difficulties of the last year.
33. There was a brief conversation around the significant increase in communications. The Chief Executive and Registrar explained what was being reflected here was the period at the beginning of the pandemic where everything was very uncertain and this generated a lot of debate, frustration and passion amongst registrants, particularly concerning registration fees with a lot of feeling from the profession that fees should be reduced.
34. He added that osteopaths are primarily self-employed individuals and whilst each communication received contained varying levels of frustration, it was important to recognise these had been received from individuals whose level of income had drastically reduced in a very short period of time. As a statutory healthcare regulator, the GOsC is unable to reduce registration fees without Privy Council approval. This highlighted a misunderstanding osteopaths seemed to have between the GOsC as the statutory regulator and the iO as the professional membership body as membership bodies have the ability to reduce fees.

Considered: the Committee considered the performance measurement report.

Item 10: Assurance audit update

35. It was noted that this paper was not presented to the Committee at this meeting due to a response needing to be prepared urgently for the Professional Standards Authority performance review process against a very short timeframe.
36. The Chief Executive and Registrar advised that this paper would be circulated outside of the meeting so that the FtP assurance audit work could commence later in the year as scheduled.

Item 11: Monitoring report

37. The Senior Registration Officer introduced the report which set out notifications of serious events (including fraud), data breaches and corporate complaints.
38. He briefly outlined the report, advising there were no serious events, incidents of fraud or PSA learning points to report and that there was one data breach to report and four corporate complaints.
39. Members commented that any learning points from the complaints received did not seem to be clearly identified but otherwise noted the paper. The Chief Executive and Registrar advised that moving forwards, we would make sure to make any learning points identified more easily visible.

Noted: the Committee noted the content of the monitoring report.

Item 12: Forward work plan

40. The Senior Registration Officer introduced the forward work plan of the Committee and asked members to consider the content.
41. Members were broadly content with the paper and commented that as the risk register was in a much better place now, that it should return to scrutinising key risk areas and meeting with managers to discuss these areas. The Chief Executive and Registrar responded to advise this was occurring pre-pandemic and understandably had been put on hold during the pandemic, but this could now recommence.

Noted: the Committee noted the forward work plan.

Item 13: Any other business

42. Members briefly raised the point highlighted in March's meeting regarding the potential extension of Crowe as external financial auditors by one year due to the pandemic before initiating the re-tendering process.
43. The Chief Executive and Registrar advised members that a paper was being brought to the Committee in October 2021 that would include an outline of the re-tendering process or a re-appointment extension for Crowe.

Item 14: Date of next meeting

44. The date of the next meeting will be 14:00pm 21 October 2021.