



Audit Committee

Notes of an inquorate meeting of the Audit Committee held on
Thursday 22 March 2018

Unconfirmed

- Chair: Chris Shapcott
- Present: Denis Shaughnessy
- In Attendance: Ben Chambers, Registration and Resources Officer (Item 1-6)
Carl Pattenden, IT and Business Support (Item 6 and 7)
Matthew Redford, Head of Registration and Resources
Tim Redwood, Audit Partner (Item 1-4)
Tim Walker, Chief Executive and Registrar
Bill Gunnyeon, Council lay member (observer)

Item 1: Welcome and apologies

1. The Chair welcomed all participants to the meeting. It was noted this would be an inquorate meeting of the Audit Committee.
2. Apologies were received from Martin Owen and Haidar Ramadan. It was noted that Bill Gunnyeon would be observing this meeting of Audit Committee.

Item 2: Minutes and matters arising from the meeting of 19 October 2017

3. The minutes of the meeting of 19 October 2017 could not be agreed as a correct record as the meeting was inquorate. The minutes of 19 October 2017 will be brought back to Audit Committee's next meeting in June 2018 for approval.
4. Members asked whether the health and safety audit, which they received in October 2017, with outstanding actions had been completed. The Head of Registration and Resources advised that all actions arising from the health and safety audit were now complete.

Item 3: External financial audit plan FY 2017-18

5. The Head of Registration and Resources briefly introduced the audit plan and accompanying paper, before passing to the Audit Partner.

6. The Audit Partner took members through the audit plan in detail, noting the audit plan was similar to last year.
7. The following areas were highlighted during the discussion:
 - a. The Audit Partner provided an update on the GOsC backdated claim for business rates, advising early predictions estimated four years worth of 80% of business rates paid each year could be reclaimed, however he was awaiting final confirmation.
 - b. It was noted the audit report would be re-ordered this year, following GOsC becoming a registered charity.
 - c. It was noted the Charity Governance Code would be circulated by the auditors to all of their clients in the form of a checklist to allow them to evaluate any potential areas of non-compliance. The Chief Executive advised that the GOsC has already done some work internally on the Governance Code, and are in a strong position due to GOsC's established governance procedures and a governance manual which is regularly updated. He advised it would be helpful to receive the checklist to include as an annex into the annual report and accounts paper.
 - d. Members asked how key areas for the financial audit were selected. The Audit Partner advised there were some key areas required for audit by auditing standards, such as management override of controls. He added as registration fees made up virtually all of GOsC's income, this was another key area for audit.
 - e. Members noted that the audit timetable was tightly packed. The Head of Registration and Resources advised the dates of the timetable were in line with the last Crowe Clark Whitehill audit and previous Grant Thornton audits. The Audit Partner was also happy with the timetable.

Noted: it was agreed to informally agree the audit plan and circulate the decision to absent members.

Item 4: Principal accounting policies – review

8. The Head of Registration and Resources introduced the paper.
9. He advised members that there would be some minor amendments to the principal accounting policies due to the GOsC becoming a registered charity during the financial year.

10. Members had a query about pension contributions and whether it was a defined benefit scheme and if Council would have control over it or have any residual liabilities. The Head of Registration and Resources advised GOsC had a defined contribution scheme and that GOsC is not responsible for individual's pension pots, each individual is responsible for their own pension. After discussion, he advised the wording around the pension scheme, as described in the principal accounting policies, could be amended slightly to improve clarity.
11. At the conclusion of this item, the Audit Partner left the meeting.

Noted: the Committee noted the principal accounting policies

Item 5: Updated Risk Register

12. The Chief Executive introduced the Updated Risk Register.
13. The following areas were highlighted during the discussion:
 - a. The Chief Executive identified updates to the current key risks for members and highlighted the new risk relating to Brexit. He advised this had been added as the situation had the potential to be very changeable due to uncertainty in the final arrangements, for example, there could be a hypothetical conflict between UK and EU legislation. Members asked how many overseas qualified osteopaths were GOsC registrants, they were advised the numbers were extremely low (approximately 20 overseas registered osteopaths out of circa 5300 registered GOsC osteopaths). It was noted that GOsC was in a slightly different position to other UK regulators as there was no automatic recognition of qualifications from the EU.
 - b. Members sought an update on the recurring CPD risk. The Chief Executive responded, reflecting that the CPD project risk was now moving from project development risks to implementation risks. He advised GOsC was in a good place with lots of activity at various levels of the organisation, from senior management to the Communications Department, and from osteopaths themselves. He was confident that the legislation for the new CPD scheme would be passed in time for the start date of the scheme in October 2018.
 - c. It was added that very few registrants are removed from the Register each year for not completing their annual CPD requirements, which would suggest compliance with CPD for the majority of registrants. It is anticipated that the number of registrants removed for non-compliance with CPD will not change when moving from the annual CPD scheme to the three year CPD cycle.

Noted: the Committee noted the updated Risk Register.

Item 6: Internal audit update

14. The Head of Registration and Resources introduced the report, the IT and Business Support Officer joining the meeting for this item via telephone conference.
15. It was proposed to split the paper into two parts, the internal IT audit plan and future audit work.
16. Members were keen to acknowledge that GOsC has made excellent progress in its IT audit and overall IT infrastructure and security and thanks should be recorded to the IT and Business Support Officer.
17. A lengthy discussion took place around blocking USB ports and two-factor authentication. Members were concerned for the need of these additional layers of security. The Executive outlined its risk assessment and the need to balance risk with practical work approaches for a small organisation. At the end of the discussion the Executive advised they would regularly review the need for blocking USB ports and two-factor authentication.
18. The discussion turned to the second half of the paper, forward internal audit work.
19. The Head of Registration and Resources advised that since 2013, a significant proportion of internal processes have been audited. As a small regulator, the majority of the process audits are carried out internally by staff.
20. He asked that due to the ambitious nature of the Business Plan, criticality around GDPR implementation and delivery of the new CPD scheme, the Executive request no internal audit activities be undertaken in 2018-19. He advised the Executive would welcome input from members into developing an internal audit approach for 2019-22, to reflect on ideas and discuss these ideas at a future meeting.
21. At the conclusion of this item, the Registration and Resources Officer left the meeting.

Noted: members were happy to provisionally agree no internal audit activity for 2018-19 and to discuss ideas for future audit activities for 2019-22 at future meetings.

Item 7: GDPR update

22. The Chief Executive introduced the report, setting out an update to the approach of updating the GOsC Information Governance Framework to comply with the new requirements of GDPR.

23. He advised whilst the current Information Governance Framework means the GOsC is in a good position, it is currently not fully compliant and will require amending. Ward Hadaway law firm have been engaged to work with the Executive team on a consultancy basis to assist with these preparations.
24. He advised a gap analysis had been undertaken by Ward Hadaway following completion of questionnaires by employees. This identified compliance gaps and recommendations on how to close these gaps. Whilst the final audit report was being finalised, the headline issues are included in the paper which will be addressed by an action plan in future months.
25. Members asked if the Executive were worried about any significant failing to be compliant in any area or the cost of achieving compliance would be much higher than anticipated. The Executive responded that there were areas where he had sought clarification on some of the recommendations of Ward Hadaway. He advised the biggest concern from a resource point of view is disposal of old information and work out the risks around what is kept and how long it is kept for, citing examples around the electronic files held for registrants.
26. At the conclusion of this item, the IT and Business Support Officer left the meeting.

Noted: the Committee noted the GDPR update.

Item 8: Business Plan and Budget 2018-19

27. The Head of Registration and Resources introduced the item which set out the business plan and budget for 2018-19.
28. Members had a question about the remainder of the breakdown of fitness to practice, including legal, expenditure at paragraph 28, Annex C. The Chief Executive advised this included case development and presentation of external legal providers.

Noted: the Committee noted the Business Plan and Budget 2018-19

Item 9: Audit Committee performance evaluation report

29. The Head of Registration and Resources introduced the report which outlined the approach for collating Audit Committee's feedback on their performance for the last year.
30. He advised feedback would be collected via a questionnaire as it was in 2017 and reflected that this process worked well. He added several pieces of feedback from 2017 had been taken on board (e.g. streamlining papers and moving to electronic

papers) and was hopeful that any further feedback from members would generate discussion amongst the Executive.

Noted: members were happy to complete the performance evaluation approach in the same format as 2017.

Item 10: Monitoring report

31. The Head of Registration and Resources introduced the report which set out notifications of fraud, critical incidents, data breaches and corporate complaints.
32. It was noted the data breach was classed as 'medium', due to the potential seriousness of the breach and the clerk had retrieved the bundle immediately before it left the building.
33. Members noted the 57 complaints received about an on-going case and asked if this was normal. The Chief Executive responded, advising this was not normal and the case in question was the only advertising case of approximately 400 to be brought before the Professional Conduct Committee. He advised all complaints had been acknowledged and would be responded to once the case had been concluded.

Noted: the Committee noted the monitoring report.

Item 11: Forward work plan

34. The Head of Registration and Resources introduced the forward work plan of the Committee and asked members to consider the content.

Noted: the Committee noted the forward work plan.

Item 12: Any other Business

35. None.

Item 13: Date of next meeting

36. The date of the next meeting will be 14:00pm Thursday 28 June 2018.



General
Osteopathic
Council

Audit Committee internal checklist – following its meeting in March 2018

Outstanding actions from March 2018	Action addressed
Approval of October 2017 minutes	Agenda item 2