



Audit Committee

Minutes of the 42nd meeting of the Audit Committee held on
Thursday 19 March 2020

Chair: Chris Shapcott

Present: Graham Masters
Denis Shaughnessy
Deborah Smith

In Attendance: Ben Chambers, Registration and Resources Officer
Bill Gunnyeon, Chair Designate
Naziar Hashemi, Client Service Partner at Crowe (Item 3)
Matthew Redford, Acting Chief Executive and Registrar
James Robinson, Audit Manager at Crowe (Item 3 and 5)

Item 1: Welcome and apologies

1. Apologies were received from Haidar Ramadan. In his absence as it was his last meeting as a Council member, the Chair thanked Haidar for the work he had contributed to the Audit Committee.
2. The Chair welcomed all participants to the meeting and formally introduced Deborah Smith as the new Council member (osteopath) of the Committee.
3. It was noted that this meeting was being held online due to the most recent government advice surrounding COVID-19.
4. The Committee decided to discuss Items 3 and 5 first, due to the COVID-19 situation, followed by the remaining agenda items. The minutes reflect the order of the discussion.

Item 3: External financial audit plan and audit report – including review of principal accounting policies and revised internal financial controls

5. The Registration and Resources Officer introduced the report, advising it would be split into three sections.

External financial audit plan

6. The Registration and Resources Officer briefly introduced the audit plan before passing to Crowe representatives.
7. Representatives of Crowe outlined their Audit Plan in detail before members of the Audit Committee were invited to ask questions.
8. The following areas were highlighted during the discussion:
 - a. Members raised questions around how the audit could be completed with limited access to the offices. Crowe advised that they were used to working remotely and had processes in place to continue the audit. The Acting Chief Executive also advised he had discussed with the Registration and Resources Officer and was confident that the majority of the audit preparation work could be completed remotely.
 - b. Members asked a question about the proposed audit timetable and whether this was still feasible. The Client Services Partner advised it is what they would expect but they cannot say what will happen in the days to come. The Acting Chief Executive and Registrar said that we should progress with the timetable and the audit work until such time as circumstances change. The Audit Manager advised that Crowe could begin sorting out sample sets of data they require now. The Client Services Partner agreed and commented that the more work that can be done now, the better.
 - c. Members raised questions about the business and the going concern basis. The Client Services Partner advised the Board and the Executive would make decisions and recommendations about the going concern, Crowe would review the management's assessment and whether they agreed with it or not. She recognised during the pandemic, this would present each organisation with a challenge unique to them.
 - d. The Client Services Partner advised that the Executive and the Board may need to look at its reserves policy, liquidity policy and scenario planning for what the situation will look like in a couple of months.
 - e. Crowe advised valuations may be affected by COVID-19 as this is based on market value at the end of the financial year. Income recognition will not be affected.
 - f. Crowe confirmed they had and were working on contingencies in the cases Audit Partners were taken unwell and unable to sign-off documentation.

- g. Members noted the error in the previous set of accounts that was picked up by Council before the accounts were signed and published. A brief discussion took place, but the Executive asked the Committee to bear in mind that our focus should be on the current evolving situation around COVID-19, continuing to deliver our essential business duties and monitoring the going concern of the business.

Payroll audit report

- 9. The Registration and Resources Officer briefly introduced the results of the payroll audit, noting that it was a clean audit and no concerns had been identified.
- 10. The Committee noted the payroll audit and were pleased that it was a satisfactory outcome.

Statement of internal financial controls and principal accounting policies

- 11. The Registration and Resources Officer briefly introduced the amended statement of internal financial controls and the principal accounting policies.
- 12. Members were pleased the investments section had been expanded however they advised they would like some further details on what the controls are such as how they can take assurance that offices and agents of Brewin Dolphin act in the interests of the Council.
- 13. They added that under the Invoice authorisation section, there did not seem to be any text around how new suppliers are authorised/set up. The Executive took the point away.
- 14. The Client Services Partner left the meeting at the conclusion of the item. The Audit Manager remained on the call.

Agreed: the Committee agreed to view the external financial audit plan.

Considered: the Committee considered the payroll audit report and the external oversight of payroll.

Noted: the Committee noted the changes to the internal financial controls and the principal accounting policies.

Item 5: Risk Register

- 15. The Acting Chief Executive and Registrar introduced the paper which set out the new layout of the risk register including the revised scoring system.

16. He outlined the key changes to the risk register and the new risks that were included, in particular the risk surrounding COVID-19.
17. He added that the risks have changed since the papers were sent out, due to the fast changing pace of the current health pandemic, which would influence the discussion that would take place.
18. The following areas were highlighted during the discussion:
 - a. The Acting Chief Executive advised that the discussion would mainly focus on the COVID-19 situation and the organisation's response to the operational difficulties.
 - b. He stated that he agreed with the Committee that the situation required a whole organisational approach. He advised the SMT, Head of Communications and HR Manager were in regular contact.
 - c. Government advice is being followed continuously by the organisation. Public health information is being signposted to all registrants via several different avenues.
 - d. He advised the organisation is now working remotely but business is continuing as all staff have online access to systems and phones are being manned remotely by key staff. Staff can remotely access voicemails left on office telephones.
 - e. Members asked for clarity on the security of Osteopathy House. The Acting Chief Executive advised that Osteopathy House is locked up and secure. He advised as long as London is not in full lockdown, our cleaning company will be attending the building to perform cleaning. The alarm systems are active and in place and the security company have been made aware that the building is closed so any alarms will be investigated by an on-site visit.
 - f. He advised post sent to Osteopathy House has been redirected but this will be a slower communication method and subsequently there will be a slower processing time.
 - g. In terms of meetings of Committees and Council, he advised that for the foreseeable future, these would be conducted online via meeting platforms such as the one being used for today's meeting.
 - h. Members asked if there were any actions that would require Council's approval or authorisation before the Executive could take action. The Chair Designate advised the Acting Chief Executive and Registrar has outlined the operational

response to the risks – and we are now moving into the more challenging issues which were financial, strategic and reputational risks. He advised these were unprecedented times and the way some functions were delivered (such as FtP hearings) would need to be discussed and Council would need to be kept informed. The Acting Chief Executive and Registrar advised he expected the most serious FtP cases to be prioritised during these times.

- i. Members noted that the number of FtP cases may drop as fewer osteopaths would currently be practising. They asked whether the suspension orders under review would occur. The Acting Chief Executive and Registrar advised the reviews of suspension orders would likely occur in a virtual environment.
- j. The Acting Chief Executive and Registrar advised, in response to member's questions about the registration fee for osteopaths, that the GOsC was still required to work within the confines of its legislation despite these difficult circumstances. He recognised the pressures that would be placed on the osteopathic community and added this would be the same for other healthcare professionals in private practice such as dentists and chiropractors.
- k. He advised that all of the available options would need to be explored, weighing all of the pros and cons, and that the business plan and annual budget may need to be recast.
- l. It was noted that emergency legislation was being put through for recently retired healthcare professionals of the GMC, NMC, HCPC and Social Health England. The Acting Chief Executive and Registrar advised that osteopaths are Allied Health Professionals, so they may be included in future emergency legislation but not at this time. The Chair Designate noted there was a joint statement by health care regulators about how individual registrants would be dealt with.
- m. The conversation moved towards the financial and business/organisational risks.
- n. The Acting Chief Executive and Registrar advised this will be a very difficult and challenging time for the GOsC and that there would need to be scenario planning. There was no single point in time where all registrants renewed their registration which would make it challenging to work out what the impact would be on the profession as a whole. He advised there would probably be a spike in osteopaths changing their registration status to that of non-practising but we would need to keep an eye on this.
- o. Members asked how the Executive were planning to stress test these issues. The Chair Designate advised the most important thing to do is identify the areas of work/business that can be suspended or put off so that the SMT have the

time to focus on scenario planning and to assess the bigger picture.

19. Wrapping up the conversation, members asked when Council would be informed of outcome of the scenario planning. The Acting Chief Executive and Registrar advised that there was a substantial amount of work SMT needed to do and advised that he would consult with the Chair Designate outside of the meeting in order to get the timeline and work required right.
20. The Audit Manager left the meeting at the conclusion of this item.

Considered: the Committee considered the risk register.

Item 2: Minutes and matters arising from the meeting of 24 October 2019

21. The minutes of the meeting of 24 October 2019 were agreed as a correct record.

Item 4: Assurance audit update

22. The Acting Chief Executive and Registrar introduced the paper which set out the forthcoming assurance audit plans for the GOsC.
23. He advised that the planned two audits should be deferred to a later date due to the COVID-19 situation and the impact this would have on staff/financial resource during this time. Members said that they were happy with the Executive to defer these audits until a later date as it is absolutely right for the organisation to focus on delivering its core functions.
24. Members asked questions about the qualifications of the individual who would be conducting the Equality and Diversity audit. The Acting Chief Executive and Registrar advised the individual has held a number of Equality and Diversity posts during their career, including within the healthcare regulation sector.

Agreed: the Committee agreed to defer these audits and also agreed the scope of the forthcoming assurance audits.

Item 6: Monitoring report

25. The Registration and Resources Officer introduced the report which set out notifications of serious events (including fraud), data breaches and corporate complaints.
26. For the purposes of Charity Commission reporting, he noted that as this time, the COVID-19 situation was not being classed as a serious event as the business of

the GOsC was still continuing but advised that this was being reviewed on a regular basis.

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

Item 7: Forward work plan

27. The Registration and Resources Officer introduced the forward work plan of the Committee and asked members to consider the content.
28. Members were generally happy with the forward work plan but noted that the future work was dependent on current events and may change.
29. Members asked if an updated forward work plan could be circulated as soon as possible, taking into account the items that will be deferred due to the COVID-19 situation.

Noted: the Committee noted the forward work plan.

Item 8: Any other business

30. None

Item 9: Date of next meeting

31. The date of the next meeting will be 14:00pm 25 June 2020.