



Audit Committee

Minutes of the 48th meeting of the Audit Committee held on
Thursday 24 March 2022

Chair: Chris Shapcott

Present: Graham Masters
Dr Denis Shaughnessy
Deborah Smith

In Attendance: Fiona Browne, Director of Education, Standards and Development
Ben Chambers, Senior Registration Officer
Dr Bill Gunnyeon, Chair of Council (observer)
Liz Niman, Head of Communications (Item 7)
Carl Pattenden, IT Manager (Items 6-7)
Matthew Redford, Chief Executive and Registrar
Tim Redwood, Crowe Audit Partner (Items 4-5)
Maxine Supersaud, Head of Resources and Assurance

Item 1: Welcome and apologies

1. No apologies were received.

Item 2: Minutes from the meeting of 21 October 2021

2. The minutes of the meeting of 21 October 2021 were agreed as a correct record.
3. The Chair of Council briefly noted that Denis Shaughnessy had been appointed the new Chair of Audit Committee and Rob Jones had been appointed as the new independent member of the committee. Both appointments would commence from 01 April 2022.

Item 3: Matters arising report

4. 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.

5. A discussion was held briefly on the corporate emails outstanding action. Members did not think the introduction of corporate emails for non-Executives was necessary but thought there would be some worth in reviewing how papers are sent to committee members to heighten security. In response to a question, the Chief Executive and Registrar noted that sensitive documents for both fitness to practise committees were sent through a secure portal called Caseline but other committees did not receive materials via this tool. The Committee asked the Executive to explore the possibility of using Caseline for dispatch of papers.

Noted: the Committee noted the matters arising report.

Item 4: Crowe Audit Plan 2021-22

6. The Head of Resources and Assurance briefly introduced the report, before passing to the Crowe representative.
7. As part of the introduction, it was noted that as GOsC was exploring the re-tendering exercise with other regulators, the Audit Committee's recommendation to Council to extend Crowe UK's contract as external financial auditors for one additional year had been approved.
8. The Audit Partner outlined the Crowe Audit Plan 2021-22 in detail before members of the Audit Committee were invited to ask questions.
9. The following areas were highlighted during the discussion:
 - a. The provisions section of the Audit Plan was discussed in depth. It was noted that the Head of Resources and Assurance would, as part of the audit preparations, assess the calculation for the provision that was inserted into the accounts last financial year.
 - b. As it was not explicitly stated, members sought clarification that the audit plan was comparable to other organisations of the GOsC's size. The Audit Partner confirmed that it was comparable, adding that Crowe UK works with other regulatory bodies of similar size to the GOsC.
 - c. In relation to the going concern statement, the current cost of living challenges was noted. The Chief Executive and Registrar recognised this as well and advised he was open to conversations on expanding the going concern statement in the Annual Report and Accounts. The Chair of Council added that when Council made the decision to hold registration fees at the current level this year, it was made clear that in the next financial year, it may no longer be possible to hold fees at their current level.

- d. Members sought clarification on the final deadline for presenting the Annual Report and Accounts to Parliament. The Chief Executive and Registrar advised the final deadline for submission was 30 September 2022.

Agreed: the Committee agreed the external financial audit plan.

Item 5: Review of principal accounting policies and statement of internal financial controls

10. The Head of Resources and Assurance briefly introduced the principal accounting policies and amended internal financial controls.
11. It was noted there were no changes to the principal accounting policies from Crowe UK but the Audit Partner noted that the Facilities Manager appeared to be much more involved within the internal financial controls and additional training, if necessary, should be provided. It was confirmed by the Head of Resources and Assurance that they had received training.
12. A brief discussion took place around the signing of invoices and it was noted there was no longer a "physical signing" of invoices, rather this now happened electronically with automatic logs held of which staff member authorised and accessed the document.
13. There was a short discussion on the Sage Accounts and Sage Payroll section of the internal financial controls where members highlighted some wording should be changed. The Executive advised these changes would be made outside of the meeting.
14. A question was raised relating to the business-critical financial processes (such as payroll) and what would happen to that process if a key staff member (such as the Senior Registration Officer) was unavailable or unwell for a significant period of time. The Chief Executive and Registrar responded to advise that with a small staff team, this was always a risk, but assured members that there were safeguards in place, i.e. a few select individuals have access to key systems such as payroll in the case of short-term staff absence. He added, in the event of requiring long term support due to extended staff illness, the financial systems used are widely known and it would not be difficult to bring in temporary support if required.
15. Members noted that recently within the NHS, it had been reported that invoice authorisation fraud was fairly high and sought the Executive's assurance that it was confident that our invoice sign-off processes were sufficiently robust. The Head of Resources and Assurance responded, advising members that our invoice sign-off process had multiple stages and were scrutinised at each different stage by separate staff members before being loaded onto the banking system to be paid.

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

Considered: the Committee considered the principal accounting policies and noted the changes to the internal financial controls

Item 6: Assurance audit update

Item 6 (a): Assessment of GOsC Performance

17. The Chief Executive briefly outlined the report set out at the annex and noted this work represents our ambition for continuous improvement. He advised the report included a total of 30 recommendations across eight areas. Some suggestions for responding to the recommendations had been included in the paper and which Council could consider at its meeting in May 2021.
18. He finished by saying the GOsC is at a point in time when we are starting to look strategically towards 2030 and this report can help us with some of those conversations. This is because the report highlights what the organisation needs to think about in terms of strategic development, how this is relevant towards our stakeholders and osteopaths, how we can do things better, and touches upon our values and culture. He opened to the Committee for their review and feedback for the Executive to consider before taking forward to Council at its next meeting.
19. A comment was made on the wording within the report which referred to GOsC as a business, members thought it should be made clear that the GOsC is business-like, but is not a “business” in the conventional sense.
20. Members provided some feedback and noted that a lot of recommendations had been made and asked the Executive whether it was feasible to address them all or whether there was a way of putting these in an order of importance. The Chief Executive and Registrar advised that by the time the paper goes forward to Council, he would have been able to give this some further thought and consideration.
21. The Chief Executive and Registrar added this report will help us understand where we are as an organisation and where we want to go. In terms of Department of Health and Social Care (DHSC) policy activity about regulatory reform and legislative changes, the timetable for this is uncertain and the likelihood is no changes will be made to the underpinning legislation any time soon, so we need to think about how we want to work in the future instead of waiting for change. The Chair of Council added that due to all the current global circumstances, he could not personally see any headway being made on this for a considerable period of time by the DHSC.

Considered: Members provided feedback to the Executive on the recommendations and were happy to agree that the report be circulated to Council at its next meeting.

Item 6 (b): GOsC IT security arrangements

22. The IT Manager briefly introduced the annex which set out the IT security work already carried out and to set out plans for the IT security work planned in 2022-23.
23. It was noted that as part of our procurement approach, we plan to engage with IT security providers over the next few months to help us develop a scope of IT security works which will be discussed with Audit Committee in June 2022.
24. Members thought this was a very helpful paper with an additional follow up discussion in June 2022. They wanted to recognise that excellent progress had been made but that there was still work to be done in this area. It was added that the recommendations made were both sensible and important. Members finished by advising they thought it important to underline the need to move ahead with these procurement options as quickly as possible.

Considered: Members were pleased with the progress made and welcomed the follow up discussion at the next meeting in June 2022.

Item 6 (c): Review of past assurance audits results

25. The Chief Executive and Registrar briefly introduced the annex which would involve looking back at the work of past assurance audits and advised this work was scheduled for later this year.

Noted: the Committee noted the review of past assurance audit results would be undertaken later this year.

Item 7: Cloud Engage IT Project - update

26. The Director of Education, Standards and Development introduced the paper which set out the Cloud Engage IT Project and its current position. She noted this was a significant cross-departmental project and Council agreed at its November meeting a governance structure where Audit Committee would receive update reports at each meeting until the project had been concluded.

27. It was noted that the project members have met separately with Denis Shaughnessy, member of Council and Audit Committee, to discuss the project and receive his early feedback on areas of risk.
28. She outlined in detail the current status of the project which included the process mapping, the o zone restructure and content revision. The IT Manager outlined the specific issues of focus relating to external advice, IT support, scenario planning for what can go wrong and rollback options. The Chief Executive and Registrar outlined the IT security testing update, which would include an external individual to review current security policies against GOsC insurance policies to identify any gaps which can then be rectified. The Head of Communications outlined the communications plan which would keep key stakeholders informed on the progress of the project and provide opportunities for external feedback to be provided. The Head of Resources and Assurance outlined the key risks and risk register of the IT project.
29. The following areas were highlighted as part of the discussion:
 - a. It was noted that the o zone was the main interface that registrants would use and therefore it was important that this project delivered on its aims to improve the functionality of the o zone.
 - b. Members were very impressed with the paper presented to them and the progress that had been made so far. They added, bearing in mind the limited response from other regulators, the Executive should consider engaging an expert in data migration to give second opinions as we move through the project, so that the Executive received independent expert assurance due to the complex nature of the IT project.
 - c. There was a question relating to whether there would be trial runs of the data migration and the relevant testing scripts before the live data migration at the end of the year. The IT Manager confirmed that there would be extensive testing of all migration testing scripts.
 - d. Members asked whether any data cleansing was taking place as part of the data migration. The IT Manager responded to advise a lot of data cleansing is already performed as part of day-to-day operations but confirmed this is something that will be done as part of the migration process.
 - e. Members asked a question on how long it would take to transfer all data onto the new system when we go live. The IT Manager advised that at this time, he did not have an answer but advised that our IT company Advanced have already begun to conduct tests to ascertain this information. He expanded on this point to advise that currently, the plan to go live is once the final stage of the project is ready and signed off, a backup of the current database and data

would be taken and provided to Advanced. At this point, the online public register would go into read-only mode whilst the data is migrated to the new database.

- f. Members reflected on what they thought the biggest concerns for registrants would be which included; registration details being lost, cyber security arrangements in place whilst data is being migrated, access to previous CPD records no longer being available and the loss of data. The Director of Education, Standards and Development responded to advise that communications with registrants throughout the communications plan would be clear. She noted that risks relating to CPD records on the o zone may not be explicitly referred to in the IT project risk register but wanted to highlight this was captured under the project team's comprehensive list of data migration, transfer and loss risks.
- g. A question was raised about the IT project budget. The Chief Executive and Registrar advised the budget was a mixture of capitalised and operational costs.
- h. Members queried the contracts that had been signed with the IT providers. The Head of Resources and Assurance advised the contracts with both Advanced and NetXtra were being reviewed but noted that the costs were not going to be charged on an hourly or daily basis, rather it had been drafted on a cost of delivery basis.
- i. Members queried whether the Audit Committee met frequently enough to receive updates on the IT Project. The Director of Education, Standards and Development responded to advise that the project team meets every two weeks to monitor the progress of the project in line with the overarching project milestones and to discuss progress/feedback on the current stages. It was further noted that should urgent matters arise that required the attention of the Committee or Council, these would be raised outside of the annual meeting structure.
- j. It was noted that whilst it was important to hit the deadlines of the project, it was equally if not more important to make sure the project team was happy to sign off each stage rather than feeling obligated to in order to meet deadlines. Members asked if there were any 'iron' deadlines that must be met. The Director of Education, Standards and Development noted the focus needed to be on moving away from the current database as quickly and safely as possible. It was noted from a financial perspective, that additional costs for the continued use of the current Integra database would not incur until the financial year 2023-2024.

- k. Members noted on the communications plan, it was important to deliver on any promises made to osteopaths and to keep osteopaths informed that these changes were coming in order to minimise queries once the system goes live. The Head of Communications advised that as part of the communications plan, we would be contacting registrants to advise of the upcoming changes and once we go live, additional communications would be prepared as well.

30. The Head of Communications and the IT Manager left the meeting at the conclusion of this item.

Considered: the Committee considered the update on the Cloud Engage IT Project.

Item 8: Risk Register

31. The Chief Executive and Registrar introduced the paper which set out the updated risk register.

32. He briefly outlined the changes to the narrative and changes to the key risks.

33. The following areas were highlighted as part of the discussion:

- a. A lengthy discussion took place on the risk tolerance statement, and the tables relating to the application of risk tolerance and the financial impact of risks materialising. As part of the discussion, the Chief Executive and Registrar noted that redrafting the risk tolerance statement, previously agreed by Council before the pandemic, felt the right approach as the general consensus seemed to be that it did not currently cover the appropriate areas/aspects of the business. He added a small workshop session in June may be useful.
- b. Members noted that for future thinking of the table on the financial impact of risks materialising, it would be useful to include some examples in each category. The Executive took the point away.
- c. A question was raised on the legislative reform risk being removed from the register and whether it was a public protection issue or a case of restrictive legislation impacting internal processes which was restricting efficiency. The Chief Executive and Registrar advised patients and the public were not at risk but the backing legislation underpinning our registration and FtP processes was out of date and restrictive. Members noted possible future reform could have additional costs, impact on staff morale etc., so there could be levels of risk even though there is nothing that can be done about it. It was discussed that the outdated legislation should be thought of as a constraint rather than a risk.

Considered: the Committee considered the risk register.

Item 9: PSA Performance Review Report 2020-21

34. The Chief Executive and Registrar introduced the paper which set out the PSA Performance Review Report for 2020-21.
35. He added this ideally would have been presented to the Committee at its October 2021 meeting but the finalised report was not published by the PSA at that time.
36. Members noted it was pleasing to see that the GOsC had continued to meet all of the standards of good regulation.

Noted: the Committee noted the content of the report.

Item 10: 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 noted that the report contained one data breach, listed within the 'low' category, details of which were included within the report.

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

Item 11: Forward work plan

39. The Senior Registration Officer introduced the forward work plan of the Committee and asked members to consider the content.
40. Members noted that Items 6b and 6c should be placed onto the forward work plan. They also noted that the updates on the Cloud Engage IT Project should also be added to future meetings. It was noted that the external audit tender should also be added to the forward work plan.

Noted: the Committee noted the forward work plan.

Item 12: Chair's Reflections

41. The Chair of Audit Committee briefly shared his reflections on his time as a member of Audit Committee as this was his last meeting before his term of office ended at the end of March 2022.
42. Members of Audit Committee, the Executive and the Chair of Council thanked the Chair of Audit Committee for his exemplary work during his eight years in post and wished him well for the future.

Item 13: Any other business

43. None

Item 14: Date of next meeting

44. The date of the next meeting will be 13:45pm 23 June 2022.