



Audit Committee

Minutes of the 41st meeting of the Audit Committee held on
Thursday 24 October 2019

- Chair: Chris Shapcott
- Present: Graham Masters
Denis Shaughnessy (via telephone)
- In Attendance: Ben Chambers, Registration and Resources Officer
Sheleen McCormack, Director of Regulation (Items 5 - 6)
Carl Pattenden, IT Manager (Item 5)
Matthew Redford, Acting Chief Executive and Registrar
Alison White, Chair of Council (Items 1 – 5)

Item 1: Welcome and apologies

1. Apologies were received from Haidar Ramadan. The Chair welcomed all participants to the meeting and formally introduced Graham Masters as the new lay member of the Committee.

Item 2: Minutes and matters arising from the meeting of 27 June 2019

2. The minutes of the meeting of 27 June 2019 were approved subject to discussion from the Committee.
3. One matter arising was the trans positional error that had been found in the draft annual report and accounts at the July Council meeting. The Executive provided assurance to the Committee that it had been in discussions with Crowe and there will be a further discussion at the Committee's March 2020 meeting where it will consider the external financial audit planning document.
4. The Chair of Council suggested adding a technical review of the accounts moving forward. The Acting Chief Executive and Registrar advised this has been reflected in the forward work plan.

Item 3: Control environment

5. The Registration and Resources Officer introduced the revised changes to the internal financial controls before passing to the Acting Chief Executive and Registrar who outlined the changes to the overall organisational control environment.
6. It was noted that the revised controls had been discussed with the Senior Management Team and the Acting Chief Executive and Registrar had also separately discussed the controls with the Chair of Council and the Chair of Audit Committee.
7. The Registration and Resources Officer advised that at the recent audit planning meeting with Crowe, the revised control framework was discussed with the Audit Partner who did not raise any concerns with management's suggestions.
8. The following areas were highlighted during the discussion:
 - a. Members thought the planned changes were a pragmatic proposal and the amendments to the controls seemed reasonable.
 - b. A question was raised around authorised signatories signing invoices without printing their name which could make it difficult to identify the individual, and that it may be better to provide the printed name of the individual in addition to their signature. The Executive took the point away.
 - c. Members thanked the Executive for including the investment portfolio in the revised statement of internal financial controls. They added it would be good to add greater detail over how transactions were made. The Executive agreed to take the point away.
 - d. Members noted it was slightly ambiguous about who was processing and authorising journals now. The Executive advised this information was listed elsewhere in the revised statement of controls, but the information would be cross referenced to aid the reader.
9. It was agreed that the discussed changes would be brought back to the Committee at its meeting in March 2020.

Agreed: the Committee agreed to view the revised internal financial controls at its meeting in March 2020.

Item 4: Risk Register

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

11. He advised the Executive had considered the points raised at the risk management seminar in June 2019 between Audit Committee and Naziar Heshemi from Crowe which led to the development of the new risk register structure.
12. He noted that Audit Committee would be presented with an organisational risk register and sitting behind this document would be more detailed versions of operational risks by department for the use of the management team. These would be developed if Audit Committee were content with the new structure.
13. The following areas were highlighted during the discussion:
 - a. Members noted this document was fluid and a work in progress.
 - b. Members thought that the risk register reflected the organisation six weeks ago and the loss of the former Chief Executive and Registrar but that now the situation was different. The Acting Chief Executive and Registrar noted this and advised at the next meeting, the risk register would reflect the current state of the organisation. He felt he could not amend the risk register before Audit Committee had met to review the revised internal financial controls and Audit Committee accepted this point.
 - c. Members queried whether the right scoring had been given to the regulatory reform risk as the GOsC does not have the power to influence or negate this risk. The Executive noted the feedback from Audit Committee and would take that away for further consideration, while noting that the risk register was in an embryonic state.
 - d. Members thought the description of the impact level 'extreme' was not in keeping with the rest of the document. The Executive advised the wording would be adjusted based on Audit Committee feedback.
 - e. The presentation of the risk register to Council was discussed in detail, it was outlined that the full risk register would be used by the Executive (three columns for risk rating showing the gross risk, current residual risk and the after action risk) but it may be easier to show Council the most relevant information (current residual risk and the after action risk). The Chair of Council noted that she would like to ensure the risk register is accessible enough that Council can engage and interact with it comfortably and she felt that this was an excellent step in the right direction.
 - f. Members asked how Council would be kept updated with the progress of the work to the risk register. The Acting Chief Executive and Registrar advised he

would update Council in November within the Acting Chief Executive and Registrar's Report.

- g. Members ended the discussion, agreeing they were pleased with the progress and direction of the new risk register.

Considered: the Committee considered the updated risk register.

Item 5: Assurance audits

- 14. The Acting Chief Executive and Registrar briefly introduced the report before advising the Director of Regulation and the IT Manager would introduce their respective audit reports and be available to answer any questions.
- 15. The position concerning the review of screener decisions was noted.

Fitness to practise, initial stages audit findings report

- 16. The Director of Regulation briefly outlined the audit that took place and the key findings that arose from it.
- 17. She advised bespoke training would be provided to screeners in early 2020, a guidance document for screeners would be developed for the planned training event and the Initial Closure Procedure would be reviewed.
- 18. She added that it should be noted that no public protection concerns were identified, and all cases reviewed were in accordance with the relevant GOsC guidance.
- 19. A discussion took place between members and the Executive. It was agreed that this was a reassuring report that contained the independent assurance of a qualified individual and members could take considerable assurance from it. Additionally, the areas identified for improvement have already been acted upon by the Regulation Department.
- 20. The Chair of Council noted that the report provided significant assurance about the independence of decisions taken at the initial stages up to the Investigating Committee stage and that she was grateful for the report.

IT follow-up audit report

- 21. The IT Manager outlined the initial audit work that had been undertaken in 2017 before he commenced employment, the work that has been carried out in the interim and provided a detailed report on the IT follow-up audit in 2019.

22. He added that since January 2017, where the IT audit was a rating of 'limited assurance', the follow-up audit completed by Crowe in July/August 2019 has provided an improved rating of 'significant assurance' and Crowe had noted the actions taken were suitable due to the size of the organisation.
23. It was noted that the results of the 2017 IT audit led to the restructure of the Registration and Resources Department to bring IT expertise and a qualified IT professional back into the organisation instead of relying solely on third party IT support.
24. Members raised a question about undertaking a full set of penetration testing. The IT Manager responded to advise he would like to commission a complete set of penetration testing in 2020-2021 with the new budget as the quotations he had received would amount to nearly 20% of the total IT budget for the year.
25. The Acting Chief Executive and Registrar added that Council would be receiving a budget strategy paper at its November 2019 meeting and that the allocation of resources for IT would be considered then.
26. Members additionally asked whether it was appropriate for members of governance to continue using personal email addresses and whether they should receive GOsC email addresses. The Acting Chief Executive and Registrar advised that point would be taken away and the IT Manager advised he was looking into other possibilities for secure communication which included secure document systems for fitness to practice panellists which could also be adapted for governance use.
27. The Chair of Council and members of Audit Committee were pleased to see the progress in the GOsC IT's security and that it was a testament of the management team's hard work.
28. The Chair of Council and the IT Manager left the meeting at the conclusion of this item.

Considered: the Committee considered the assurance audit report.

Item 6: PSA Performance Review Report

29. The Acting Chief Executive and Registrar introduced the paper which outlined the PSA Performance report for 2018-2019 and the actions arising from the previous year's report.
30. He noted that the GOsC had met all PSA standards in 2018-2019 for the ninth year in a row and added the next round of 2019-2020 audits begins in December 2019.

31. The 2019-20 PSA performance review would be against new standards and evidence framework. It was noted that the GOsC could opt for completion of a self-assessment template or a targeted review and the Executive would prefer to complete the self-assessment route.
32. Members were happy with the report and that GOsC had once again met all of the PSA standards.
33. A question was asked about the advertising complaint campaign discussed at previous meetings. The Acting Chief Executive and Registrar and the Director of Regulation jointly responded, advising the advertising complaint campaign has stopped. The Director of Regulation added that this involved the GOsC working with the complaint group and working with the ASA and CAP. This led to the publishing of a joint-statement from the GOsC, the ASA and CAP to the osteopathic profession. Following this statement, she advised the vast majority of osteopaths had reviewed their publications to ensure compliance.
34. The Director of Regulation left the meeting at the conclusion of this item.

Considered: the Committee considered the PSA Performance Review Report.

Item 7: Performance measurement report 2018-2019

35. The Acting Chief Executive and Registrar outlined the performance measurement report.
36. He added this provided generic performance assessment measures and that broadly speaking, the measurements have been met across the full breadth of the business.
37. He noted that with the new Strategic Plan, the Executive would need to set some time aside for Audit Committee to think about a new measurement structure and that it may be appropriate to have this discussion with the new Chair of Council.
38. Members asked whether the Executive had considered listing 'rag ratings' against the measures. The Acting Chief Executive and Registrar responded to advise this had not be discussed but it would be considered.
39. Members wanted to note that they congratulated the management team as it is clear a good job is being done.

Noted: the Committee noted the performance measurement report.

Item 8: Monitoring report

40. The Registration and Resources Officer introduced the report which set out notifications of serious events (including fraud), data breaches and corporate complaints.

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

Item 9: Forward work plan

41. The Registration and Resources Officer introduced the forward work plan of the Committee and asked members to consider the content.
42. Members thought it would be good to add a review of penetration testing to the forward work plan following earlier discussion. The Acting Chief Executive and Registrar advised there would be a discussion at Council in November 2019 that would influence this request from the Committee.
43. Concerning the upcoming internal assurance audits, the Acting Chief Executive and Registrar advised members that the new Chair of Council may wish to undertake a review of governance when they take office and this should be discussed with them next year.

Noted: the Committee noted the forward work plan.

Item 10: Any other business

44. None

Item 11: Date of next meeting

45. The date of the next meeting will be 10:00am 19 March 2020.



General
Osteopathic
Council

Audit Committee internal checklist – following its meeting in October 2019

Outstanding actions from October 2019	Action addressed
Revised internal financial controls	March 2020 agenda
Review of IT penetration testing	March 2020 forward work plan
Discussion surrounding new performance measurement structure	June 2020/October 2020 agenda