



Audit Committee

Minutes of the 44th meeting of the Audit Committee held on
Thursday 08 October 2020

Chair: Chris Shapcott

Present: Graham Masters
Denis Shaughnessy
Deborah Smith

In Attendance: Fiona Browne, Director of Education, Standards and Development
Ben Chambers, Registration and Resources Officer
Bill Gunnyeon, Chair of Council
Matthew Redford, Chief Executive and Registrar

Item 1: Welcome and apologies

1. No apologies were received.

Item 2: Minutes from the meeting of 25 June 2020

2. The minutes of the meeting of 25 June 2020 were agreed as a correct record.
3. It was noted there was a typographical error within the minutes at paragraph 18 which would be amended.

Item 3: Matters arising report

4. The Registration and Resources Officer introduced the report.
5. He noted this report would become a standing item and that any outstanding actions from the prior meeting would be included within this report. It was noted this report would be circulated with the draft minutes after each meeting.
6. The Chair of Audit Committee noted that the Committee's annual report had been agreed by Council at its July 2020 meeting and that the Annual Report and Accounts had been signed as a correct record. The Annual Report and Accounts had now been laid before both Houses of Parliament.

7. The Executive agreed that the full statement of internal financial controls, with an expanded section on invoice authorisation, would be presented to the Committee at its meeting in March 2021.
8. Responding to members' questions, the Chief Executive and Registrar advised there had been a discussion about whether to issue corporate email addresses for members of the governance structure at the Council Strategy Day. This was being discussed with the IT Manager.

Noted: the Committee noted the matters arising report.

Item 4: Risk Register

9. The Chief Executive and Registrar introduced the paper which set out the updated risk register.
10. He briefly outlined the changes to the narrative of the first four key risks within the risk register and advised there had been a new risk added to the report, which was around the development of a new Communications and Engagement Strategy.
11. The following areas were highlighted during the discussion:
 - a. The topic of healthcare reform was discussed in detail. It was noted that ideally, all healthcare regulators would have their legislation reformed at the same time; however, the reality was that the General Medical Council (GMC) would receive their reforms first. The timetable for when the other healthcare regulators would receive their reforms was currently unclear. The Chair of Council noted that he had been speaking with the Chairs of the other regulators to determine whether they should contact the Department of Health and Social Care (DHSC), as a collective voice, to make the case for reforms being carried out quickly.
 - b. It was noted that there was an importance for all regulators to have modern and flexible legislation in order to act with agility and proportionality. In response to a question, the Chief Executive and Registrar confirmed that GOsC had access to our DHSC contact where concerns could be raised and discussed. He noted that the issue was whether the messages were heard by ministers.
 - c. The move to homeworking and the challenges and risks associated with this was also discussed at length. The Chief Executive and Registrar responded to a number of points on the benefits of homeworking including how the team is continuing to deliver our core statutory functions; areas where systems have been streamlined for the future (digital registration certificates) and more agile working, such as having online meetings. He also noted the challenges posed as homeworking was better for some people than for others. As homeworking for

GOsC staff had been extended until 31 January 2021, he advised that in addition to office equipment being routed to staff earlier in the year, health and safety risk assessments were being organised and as the winter month's approached, emphasis would be placed on the mental health of staff.

- d. Members raised the question about whether Osteopathy House should be downsized at some point. The Chief Executive and Registrar responded to advise this was an interesting point and linked to the strategic ambitions risks. However, he advised the committee by saying we needed to understand what the future looks like first before reaching any conclusions, for example, while there might be greater homeworking and therefore less people needing office space, this created potential rental opportunities.
- e. Members queried whether the Equality and Diversity amber risk score should now decrease. The Chief Executive and Registrar accepted this point and advised the scoring had not been changed because the Equality and Diversity audit report and accompanying action plan was outstanding. He advised once the report has been received, and the actions reviewed and deemed appropriate for the organisation, he would anticipate reducing this risk rating. The Committee were content with this approach.
- f. Members requested an update on going concern of the GOsC given the current environment. The Chief Executive and Registrar responded to advise that we were forecasting a reduction to income of c.£100k, mostly due to the increase in osteopaths converting their registration to that of non-practising combined with those registrants who had left the Register. The reduction in income was not as significant as feared at the beginning of the pandemic.
- g. In terms of the financial position for 2020-21, the GOsC has pulled back on expenditure; meetings are being conducted virtually incurring savings due to lack of travel costs; the pause on fitness to practice activity at the start of the pandemic resulted in some financial benefit; no costs of printing or postage have been incurred since Osteopathy House was closed in March 2020 and this has also resulted in lower overhead costs for utilities.
- h. He added the decrease in expenditure would help offset the impact of lost income so he does not consider the business a going concern risk at this time. It was noted that the consultation for the amendment to the reduced registration fee would end in October 2020 and Council would be asked to make a decision on whether to pursue an amendment to the legislation. If agreed, this would be put forward to the DHSC.
- i. Members noted that an increase in complaints could be a big risk. The Chief Executive and Registrar noted that in July 2020, he and the Director of Fitness

to Practise met with the Good Thinking Society, an organisation that raised a number of advertising concerns in 2015-16. At the meeting the Executive explained our position which was that advertising concerns should be handled locally with the osteopath in the first instance, and if there is no resolution, for the concern to be raised with the advertising regulator, the Advertising Standards Authority (ASA). In response to a question about whether the description of the impact of the fitness to practise risk was really an impact, he advised he would take the point away and reflect further with the team.

Considered: the Committee considered the risk register.

Item 5: Performance measurement

12. The Chief Executive and Registrar introduced the report.
13. He advised Council considered the performance measurement report for 2019-20 at its July 2020 meeting. Council had asked for the performance measurement tool to be reviewed, with a specific focus on the evidence that underpinned the measures. He said the Executive had considered the performance measurement tool and some amendments were set out in the paper. He advised Audit Committee were being asked for their views on the current thinking and whether other pieces of evidence should be added.
14. The Chair of Council was asked for his perspective. He said the issue was there should not be a tool in place for the sake of it, and there needs to be clear measures of performance. He used the example of patient surveys where a challenge is do the patients know what they should be expected? He ended by saying we should be thinking about whether some performance measures are supported by evidence and whether these are sound and/or relevant in the first place.
15. The Director of Education, Standards and Development provided a detailed outline of the work that had gone into developing the current thinking. She advised members this was a work in progress and represented the Executive's first outline which is why members were being asked for their input and to challenge our current thinking. The Chief Executive and Registrar added that a challenge we face is that larger regulators have significant resources to allocate to this type of work so the tool needs to be made relevant to our context and environment.
16. Members split their comments by the three sections of the performance measurement tool. One general comment made was to suggest there was a need for more financial measures as this not mentioned explicitly and members felt this could be drawn out in the measurement tool.

17. Regarding section one, members were instinctively unhappy with the inclusion of the frequency and nature of engagements with the DHSC and stakeholders, feeling the nature of an engagement is not usually a measure. The Executive asked how members might wish for this to be captured as often engagement with stakeholders lead to more successful outcomes if not immediately arising from the meeting taking place. Members advised they would reflect on the wording and provide feedback to the Executive outside of the meeting although they thought it would be a good idea to add performance measures of outcomes, rather than performance measures of the activities taken to reach said outcome. It was noted that there might be a way to incorporate quantitative and qualitative measures to improve the model further.
18. It was noted the measurement tool seemed much heavier on processes than outcome and the Charity Commission was not included on the list of stakeholders.
19. Regarding section two, members suggested adding a KPI for some financial areas of the business such as a breakdown of how the registration fee is spent and the different stages of the FtP process. The Chief Executive and Registrar advised that the cost per registrant was included in the Annual Report and Accounts so some of that data can be used within this tool.
20. Regarding section three, members advised it did not look like consideration of employment law had been discussed as part of the measurement tool. The Chief Executive and Registrar agreed this was a good idea and that staff metrics would be incorporated in future iterations.
21. The Executive thanked members for their thoughts and advised this would help develop our thinking. The suggestion of a workshop between Audit Committee members and the Executive team, possibly in early 2021, to develop the performance measurement tool further, was noted.

Discussed: the Committee discussed the performance measurement report.

Item 6: Statement of internal financial controls

22. The Registration and Resources Officer introduced the report, advising this included additional wording to the investment control as requested by Audit Committee at its last meeting.
23. Members asked if we can quantify the length of time indicated in point f of the control, which was the length of time it would take to liquidate investment funds. The Chief Executive and Registrar advised this was one week and that the control would be amended.

24. Members noted the investment control could be further expanded to ensure instructions from GOsC are only actioned once properly authorised and that once monies are realised, there are controls in place to prevent misappropriation of funds through instances such as chief executive fraud. They asked that when the full statement of internal controls are brought back in March 2021, this section is revised.

Considered: Members asked that the changes to the investment portfolio control be incorporated and returned to the Committee in March 2021 when the full statement of internal financial controls will be presented.

Item 7: Assurance audits update

25. The Chief Executive and Registrar introduced the report, which provided an update to the assurance audit work that had been paused due to the COVID-19 pandemic.
26. He advised the governance audit, which was being undertaken by colleagues at the GMC, had continued through the pandemic. The GMC had sent through their findings to the Chief Executive and Registrar but due to capacity constraints he had not yet reviewed the outcome of the audit. He added that a report would come to the Committee in March 2021.
27. He advised the Equality and Diversity (E&D) audit has been completed and the report is due back from the consultant at the end of the month with an action plan. It was agreed that once the report had been considered by the Executive, it would be shared with members outside of the Committee's meeting cycle, as it had been an important piece of work which should not be delayed for review until March 2021.
28. Members asked if any major points had come to light during the audits. The Chief Executive and Registrar advised he was not aware of any significant areas of concern which would need immediate redress.

Considered: the Committee considered the assurance update report.

Item 8 : PSA Performance Review Report 2019-20

29. The Chief Executive and Registrar introduced the report, which set out how the Executive were responding to areas of performance where the PSA said they would seek further information in future performance reviews or where they thought there might be possible enhancements to our work.

30. He added that the GOsC has met all standards of good regulation again, for the tenth year running, and that the GOsC is always looking to improve and innovate as an organisation hence this report to the Audit Committee.
31. Members were pleased with the work that had taken place and the outcome of the performance review report.

Noted: the Committee noted the latest PSA Performance Review Report.

Item 9: Monitoring report

32. The Registration and Resources Officer introduced the report which set out notifications of serious events (including fraud), data breaches and corporate complaints.
33. He noted that the report was clean, bar three data breaches under the 'low' category, and those staff in question had been reminded of their responsibilities around data protection.
34. It was noted the majority of data breaches reported to the Committee have been emails sent incorrectly and whilst agreeing these were not frequent and a human element exists, wondered whether there was an extra measure that could or should be introduced when sending emails. One suggestion by members was to periodically delete all staff's email address caches.
35. The Chief Executive and Registrar advised he would reflect on this and discuss with senior management. He advised it would also be useful to liaise with colleagues at other healthcare regulators to see what measures they have in place. He advised members this topic would return in March 2021.
36. It was noted in closing that the PSA occasionally issue learning points to the GOsC and, pre-lockdown, the Chief Executive and Registrar and Director of Fitness to Practise were considering whether a summary of learning points should be presented to Audit Committee in this monitoring report. He advised the Executive will restart this conversation and report back to Audit Committee.

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

Item 10: Forward work plan

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

Noted: the Committee noted the forward work plan.

Item 11: Any other business

38. None

Item 12: Date of next meeting

39. The date of the next meeting will be 14:00pm 25 March 2021.