

Council meeting 12 April 2012

04.12/C/15

Public business

Audit and Risk Committee unconfirmed minutes

Purpose

To note the unconfirmed minutes of the Audit and Risk Committee.

Action required

The Council is asked to note the unconfirmed minutes of the Audit and Risk Committee meeting held on 2 February 2012.

1.0 Background

- 1.1 The Council's Audit & Risk Committee met on 2 February 2012. Unconfirmed minutes of that meeting are attached at Appendix 1. These have been circulated to members of the Committee for comment but will not be confirmed until the Committee's next meeting on 29 May 2012. The unconfirmed minutes are circulated to the Council for noting as part of the assurance which the Committee provides to the Council and to ensure that the Council remains aware of the Committee's activities.

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General Pharmaceutical Council

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28 March 2012

Minutes of the Audit and Risk Committee Meeting held on 2 February 2012
at 129 Lambeth Road, London SE1 7BT at 1.00pm

Present

John Flook (Chair)
Hilary Daniels
Keith Wilson
Judy Worthington

In attendance

Duncan Rudkin (Chief Executive & Registrar) – minute 80 - 92
Christine Gray (Head of Governance)
Bernard Kelly (Director of Resources and Corporate Development)
Gavin Perkins (Head of Finance)
Maxine Pryce (Governance and Assurance Officer) – minute 80 - 92
Martyn Schofield (Committee Secretary)
Jenny Brown (External Auditor, Grant Thornton)
Martin Lewis (Internal Auditor, Deloitte)
Morag Childs (Internal Auditor, Deloitte) – minute 80 - 100

ATTENDANCE AND CHAIR'S INTRODUCTORY REMARKS

80. The Chair welcomed everyone to the meeting of the Committee. Apologies for absence were received from Cathryn Brown.

DECLARATIONS OF INTEREST

81. The Chair asked members whether they had any interests to declare in respect of the agenda items. No interests were declared.

MINUTES OF THE LAST MEETING

82. The minutes of the meeting held on 13 October 2011 were agreed as a true record of the meeting.

MATTERS ARISING AND ACTION LOG

83. Bernard Kelly (BK) reported that, in relation to minute 76 and the need to secure approval in advance from the Committee or the Chair if any non- BK

audit services were to be commissioned from either the internal or external auditors, tendering was currently underway for consultancy firms and Deloitte was one of the firms invited to tender. A decision on who would be granted the contract would be decided at the end of March 2012.

The Committee agreed that, as timescales were short for approval of the contract, the Chair be given authority to approve on the Committee's behalf in the event that Deloitte were selected as the recommended provider.

84. Duncan Rudkin (DR) reported that in relation to minute 64 a Council workshop had been arranged whereby risk management would be discussed. This would be an opportunity for Council members to have a fuller discussion on some of the risks and DR requested that the Committee members have prior input into the workshop paper on risk. This would be circulated via email before the workshop. DR

RISK MANAGEMENT REVIEW

85. DR introduced paper 02.12/ARC/01 and advised that the report included information on risk management as well as the risk register itself. Feedback was sought from Committee members on whether this new format was useful and if any more information was required.
86. DR advised that the risk register was up to date at the time it had been circulated, namely the end of January 2012, but since that time a new risk had been identified. The senior staff review group had reported that some of the decisions of the Fitness to Practise Committee, particularly in some recent cases concerning sexual and gender specific issues, had identified learning points not addressed by the recent training for committee members.
87. Council were accountable for the decisions made on behalf of the GPhC and therefore this risk would be added to the register and recent decisions reviewed before decisions were taken on appropriate mitigating actions.
88. Committee members asked about the role of the CHRE in assurance of decision making for the regulators and whether the current indicative guidance sanctions of the GPhC needed to be revisited. In response DR advised that CHRE had rarely used its powers to challenge the fitness to practise decisions of the regulators and that the sanctions guidance, under current Rules, was produced and agreed by the Fitness to Practise Committee itself, not Council. It was hoped that amendments to the Rules would be made within the next year but this could not be guaranteed.

89. Committee members requested that the previous risk register rating be inserted into the narrative for ease of use.
90. Committee members drew attention to the priority changes to the Pharmacy Order that had been considered by Council at the meeting in January 2012 and whether this would affect risk 11 – ‘FtP legislative framework prevents effective regulation’. DR advised that the priority changes had been submitted to the Department of Health who had asked CHRE to advise on which of the regulators’ requests should be followed up. It was unlikely that there would be any changes in the near future.
91. The Chair thanked Maxine Pryce and DR for an excellent report.
92. **The Committee noted the risk register.**

REVIEW OF RAISING CONCERNS POLICY

93. Christine Gray (CG) introduced paper 02.12/ARC/02 and advised that no concerns had been raised to date but the policy had been updated to take account of associates.
94. Committee members questioned whether there should be an earlier review date of the policy in response to the imminent demise of the Appointments Commission and concluded that the policy should be worded such that it should remain applicable once the Appointments Commission had been disbanded.
95. CG clarified that if there were concerns raised about the Chief Executive & Registrar that were connected to the Chair, then the correct person to raise the issue with would be the Chair of Audit & Risk Committee. This would be made clearer on the policy.
96. Committee members also asked for clarification on the role of Human Resources and the links with the grievance procedure. It was suggested that the policy be clearer about where staff should direct any concerns they had initially.
97. **The Committee recommended that, with the amendments listed above, the Council approve the revised version of the Raising Concerns Policy at Appendix 1.**

COMMITTEE'S ANNUAL REPORT TO COUNCIL

98. BK introduced report 02.12/ARC/03.
99. Committee members asked that the report be expanded to include more information on; the interaction between the Committee and Council regarding risk management; results of the completed internal audits and an explanation on why whistleblowing had been prioritised on the internal audit plan.
100. **The Committee agreed the draft report to Council, with the proviso that the above points be included in the redraft. The amended version to be circulated to the Committee for final comments prior to submission to Council.** BK

INTERNAL AUDIT PROGRESS REPORT

101. Martin Lewis (ML), internal auditor at Deloitte, introduced report 02.12/ARC/04 and advised that for core financial controls and core IT controls the management actions may have been implemented by staff but this had not been verified by the auditors.
102. The Committee considered in detail the reports on pharmacy school accreditation; fitness to practise self declaration & complaints processes; registration assessment; and human resources. Apart from registration assessment, all the audits had achieved an overall assurance marking of substantial. Registration assessment had been marked as limited due to the lack of an independent review of the assessment results.
103. Some concern was expressed over pharmacy school visitors and their longevity in these roles. The Chair asked that this be noted and passed to relevant colleagues for consideration. MS
104. The Committee requested that the due dates for management actions be realistic and be kept up to date and that the management statement column reflect management stated intentions and be kept in the report even if it had not been verified by the auditors. ML
105. **The Committee noted the internal audit progress report.**

INTERNAL AUDIT PLAN

106. ML introduced paper 02.12/ARC/05 and outlined the internal processes that had led to the internal audit plan, including a discussion by the Executive following one on one discussions with key members of staff.
107. A query was raised over audit 13/02 Information sharing and Memoranda of Understanding and whether this audit should include an overlap on information sharing with the other health professions regulators. ML undertook to discuss further with Hugh Simpson, Director of Policy & Communications.
108. **The Committee reviewed and noted the internal audit plan.**

EXTERNAL AUDIT PROGRAMME

109. Jenny Brown (JB) external auditor at Grant Thornton introduced paper 02.12/ARC/06 and highlighted the following key audit issues:
- Full access to the underlying RPS accounting data to be available after 1st May 2012 in the event that the Council needed to review any underlying accounts transactions;
 - An exemption letter from HMRC was required regarding corporation tax.

Gavin Perkins (GP) reported that access to the accounts had been agreed with RPS for 6 months after the deadline and that the GPhC had written to the HMRC regarding corporation tax but had yet to hear back.

110. JB asked the Committee if there were any areas of fraud that they would like to notify her of. No such fraud was reported.
111. **The Committee approved the external audit programme.**

ANY OTHER NOTIFIED BUSINESS

112. There was no other notified business. The meeting ended at 2.45pm.

Date of next meeting – 29 May 2012