Meeting of the Council

Agenda

Thursday 13 June 2013
10.00am to 3.00pm

Rylands Suite
Novotel Manchester City
Dickinson Street
Manchester
M1 4LX

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Public business

1. Attendance and introductory remarks
   Bob Nicholls / Duncan Rudkin

2. Declarations of interest
   All

3. Minutes of the last meeting
   Bob Nicholls

4. Matters arising
   Bob Nicholls

5. Proposed legislative change for regulatory bodies
   For noting
   06.13/C/01
   Alison Readman

6. Mid Staffordshire Public Inquiry: update on key issues for pharmacy regulation
   For decision
   06.13/C/02
   Duncan Rudkin

7. Annual report and Accounts - April 2012 to March 2013
   For decision
   06.13/C/03
   Duncan Rudkin

8. Direct Debit Indemnity scheme signatories
   For decision
   06.13/C/04
   Bernard Kelly
9. Revised Standing Financial Instructions 06.13/C/05
   For decision Bernard Kelly

10. Statutory committee performance management 06.13/C/06
    For noting Vivienne Murch

11. The Remuneration of Associate workers 06.13/C/07
    For decision Vivienne Murch

Lunch

12. Performance Monitoring 06.13/C/08
    For noting Duncan Rudkin

13. Strategic review of risks 06.13/C/09
    For noting Duncan Rudkin

14. Chief Executive & Registrar’s report 06.13/C/10
    For noting Duncan Rudkin

15. Audit & Risk Committee annual report to Council 06.13/C/11
    For noting David Prince

16. Unconfirmed minutes of the Audit & Risk Committee 06.13/C/12
    For noting David Prince

17. Council appointments 2014 06.13/C/13
    For noting Judy Worthington

18. Council business schedule 06.13/C/14
    For noting Alison Readman

19. Any other business

Confidential Business

20. MPharm accreditation report and decision 06.13/C/15
    For decision Duncan Rudkin

21. Appointments Committee membership 06.13/C/16
    For decision Vivienne Murch

22. Unconfirmed minutes of the Remuneration Committee 06.13/C/17
    For noting Liz Kay

Date of next Council meeting 12 September 2013
Minutes of the Council meeting held on 11 April 2013 at 129 Lambeth Road, London SE1 7BT at 10.30am

Present

Bob Nicholls – Chair Ray Jobling
Sarah Brown Liz Kay
Soraya Dhillon Berwyn Owen
Gordon Dykes David Prince
Mary Elford Samantha Quaye
Tina Funnell Keith Wilson
Mohammed Hussain Judy Worthington

In attendance

Duncan Rudkin (Chief Executive & Registrar)
Alison Readman (Interim Head of Governance)
Francesca Chittenden (Council Secretary)
Hugh Simpson (Director of Policy and Communications)
Bernard Kelly (Director of Resources and Customer Services)
Claire Bryce-Smith (Director of Inspection and Fitness to Practise)
Viv Murch (Head of Organisational Development and People Strategy)
Damian Day (Head of Education and Registration) – minutes 13-14
Elaine Mulingani (Contractor) – minutes 31-32
Christine Gray (Contractor) – minutes 11-12
Elizabeth Filkin (Chair of the Appointments Committee) – minutes 31-32

ATTENDANCE AND INTRODUCTORY REMARKS

1 The Chair welcomed the 5 newly appointed Council members to their first formal meeting as Council Members.

1.1 The Chair of Council welcomed Martin Astbury (RPS), Hilary Daniels (External Member of the Audit & Risk Committee) and Janna Lawrence (Pharmaceutical Journal) who would be observing the meeting.

DECLARATIONS OF INTEREST
2 The following declarations of interest were declared:

i) Item 8 – Registered Pharmacies Project:
   Gordon Dykes, Mohammed Hussain and Liz Kay.

ii) Item 9 – Education Priorities and Strategy for 2013 - 2016
    Soraya Dhillon and Keith Wilson.

iii) Item 12 – Review of elements of the governance framework
    - David Prince

iv) Item 13 – Introduction of a behavioural framework for Council
    - David Prince

v) Item 14 – Council Member remuneration
    - All Council Members

vi) Item 15 – Council Appointments 2014:
    - Liz Kay, Sarah Brown, Ray Jobling, Keith Wilson and Bob
      Nicholls (Direct interest)
    - All remaining Council Members (Indirect interest)

vii) Item 21 – Appointment of Members to Committees:
    - Soraya Dhillon and Gordon Dykes

MINUTES OF THE LAST MEETING

3 The minutes of the meeting held in public session on 7 February 2013 were
agreed as a true record of the meeting.

MATTERS ARISING

4 In relation to minute 751.1 DR confirmed that an update on the consultation
of the indicative sanctions guidance was included in the CEX&R report.
There were no other matters arising.

PUBLIC INQUIRY INTO MID STAFFORDSHIRE NHS FOUNDATION TRUST: KEY ISSUES FOR
PHARMACY REGULATION

5 Duncan Rudkin (DR) introduced report 04.13/C/01. He detailed that although
the GPhC was not specifically named in the Inquiry, it was incumbent on the
Council to take responsibility and consider the implications of the report in view of the profound failings of care that had been exposed by the Francis report.

5.1 Hugh Simpson (HS) informed the Council that the paper had been written shortly after the Government’s response to the Inquiry, so although some account had been taken of the response, there was no attempt to systematically cross reference within the paper presented.

5.2 The Council agreed with the key themes set out and suggested that research into the barriers to professionalism and to whistleblowing be investigated. Through the discussion the Council highlighted the importance of partnership working and information sharing across health regulators and within the new NHS structure, and it was requested that this also become a key theme. In relation to the theme of Candour, DR identified that this could be linked with rebalancing and the decriminalisation of prescribing errors and therefore that it would be opportune to act on this in advance of the regular review of the Conduct, Ethics and Performance Standards scheduled in the Corporate Plan for 2014-15.

5.3 The Council supported the paper and the approach adopted but requested that a clear method of tracking progress be developed to assure the Council that where action is required, it was being built into the business planning process, resources allocated appropriately and reporting was done in a transparent way.

6 The Council:
   - reaffirmed its support for the first overarching recommendation in the Francis report. This was to set out the GPhC’s position in relation to the findings of the Francis inquiry and report on which recommendations it accepted and what it intended to do in order to implement them. It also agreed to report progress on implementation on a regular basis but not less than once a year.
   - agreed that the executive be tasked with ensuring detailed action planning was taken forward and embedded within the revised corporate planning process;
   - agreed that priority be given to the key themes set out in the paper i.e. patient experience and patient voice; transparency; candour; whistleblowing and professionalism; information gathering and sharing; with the addition of partnership working; and
   - requested that the GPhC prepare a focussed public statement setting out the GPhC’s initial response to the Inquiry.
**DIRECTED SURVEILLANCE AND COVERT HUMAN INTELLIGENCE SOURCES (RIPA POWERS)**

7 DR introduced report 04.13/C/02 which provided the Council with the Office of Surveillance Commissioner’s report and sought support from the Council to seek legislative change in order to obtain further powers.

7.1 In considering the recommendation the Council acknowledged the implications of the Francis Inquiry and the need to be pro-active. The Council also acknowledged that their predecessor, the Royal Pharmaceutical Society, had been authorised to use powers of surveillance which were not available to the GPhC.

7.2 In response to Member questions regarding proportionality and assurance, DR confirmed that the powers would be used proportionately ie they would only be used when there was real cause to be concerned that illegal or dangerous practice was occurring and there was no other way to obtain the evidence required, a full audit trail would be kept with appropriate reporting to Council, and the Office of Surveillance Commissioners would monitor use of the powers.

8 The Council agreed that RIPA powers to authorise directed surveillance and the use of covert human intelligence sources should be sought in line with the recommendations set out in the Office of Surveillance Commissioners Report Dated 11 January 2013.

**PERFORMANCE MONITORING**

9 RMN introduced paper 04.13/C/03 and informed the Council that the report covered the period to February 2013, not April 2013 as stated.

9.1 Bernard Kelly (BK) led the Council through the registration statistics. In response to a Member question BK confirmed that the team were looking to establish key performance indicators against which the time taken to respond to applicants could be monitored. BK added that maximum time taken to register individuals was skewed by outliers and that most individuals were registered within 3 weeks. The Council noted that the IT project would address possible changes to the website which would enable individuals to upload CPD records.

9.2 In relation to financial performance monitoring BK highlighted that forecasting on spending was improving and that the contribution to reserves would be £4.8 million by the end of the year. He explained that savings had
been made on employee costs due to vacant posts which had not yet been filled and due to withdrawals from the pension scheme.

9.3 In relation to fitness to practise figures Claire Bryce-Smith (CBS) reported that that the largest number of cases had been closed in a month since July 2012 and that the age profile of 72% of the case load was now under 12 months old. The Council requested that further information on cases between 2.5 and 5 years be provided. In response to a Member question CBS confirmed that the number of cases which are closed for falling outside of the jurisdiction of the GPhC was reducing.

9.4 To assist the Council in reviewing the information provided on organisational complaints it was requested that comparative data for previous periods be included in the report.

10 The Council noted and commented on the performance monitoring report for the period to end of February 2013.

REGISTERED PHARMACIES PROJECT

11 CBS introduced report 04.13/C.04 which set out progress made in relation to the Registered Pharmacies project.

11.1 CBS informed the Council that a Council Member assurance group had been formed and had met for a useful meeting. In response to a Council Member’s concern, a member of the assurance group confirmed that they were encouraging wide engagement and that regard was being given to changes in the NHS structure. In response to a Member question, DR confirmed that the inspection model was being developed afresh so would bear little resemblance to the current model.

11.2 DR confirmed that discussion regarding self selection of pharmacy medicines was on going and that the GPhC was communicating with those who opposed the proposal in order to better understand their concerns. The Council reiterated the importance of ensuring the GPhC was seen to be listening to and responding to concerns. At the same time Council confirmed that the concerns raised had not caused the Council to re-consider its position on the policy, which was correct for the reasons previously explained, and summarised in the paper.

11.3 CBS set out that it was unlikely that the Rules would be laid in 2013 and it was not prudent to commit to a date but confirmed that this would affect only the formal enforcement powers. In response to a Member concern regarding
the potential problems of having the standards laid out within the Rules; Christine Gray (CG) confirmed that they were working with the drafting Solicitor to maintain flexibility where possible.

12 The Council noted the paper.

EDUCATION PRIORITIES AND STRATEGY FOR 2013-2016

13 HS introduced report 04.13/C/05 which had been written in response to Council discussions in February relating to the Corporate Plan.

13.1 In reviewing the recommendations the Council highlighted the importance of ensuring that our work to set and assure education standards should consider the issues highlighted by the Francis inquiry.

13.2 In reviewing the recommendations the Council felt it appropriate that a group be established to review the initial standards for the education and training of pharmacists and that this group should be asked to look specifically at standard 5 (curriculum development) and standard 10 (outcomes). Council also agreed with the recommendation that the initial education standards for pharmacy technicians would need to be reviewed and a similar group would need to be established.

13.3 Council asked for reassurance that the planning of this would take proper account of the work of the Modernising Pharmacy Careers (MPC) Board and its work streams. In response, Damian Day (DD) assured the Council that he and the MPC team had met and would continue to meet regularly.

13.4 The Council highlighted the importance of communicating any changes to education standards in a timely and efficient manner. The Council also expressed concern and highlighted the need to communicate to stakeholders the GPhC’s role in relation to setting and quality assuring education standards for pharmacists and pharmacy technicians.

14 The Council agreed:
   i. That an expert task and finish group should be established to carry out a review of our standards for the initial education and training of pharmacists
   ii. That the executive be tasked with developing specific proposals to respond to issues of risk identified with the pre-registration training year for pharmacists in England and Wales
   iii. That further planning work be undertaken to consider necessary longer term challenges and issues within pharmacist and
pharmacy technician education and training with a report to be presented to Council in Autumn 2013.

CORPORATE PLAN 2013-2016

15 DR introduced report 04.13/C/06 and informed the Council that following discussions at the February meeting he had commissioned a project to make the corporate plan a more useful business tool. DR also stated that should the Council agree, a ‘readers’ guide’ could be produced as a communication tool to accompany the Annual Report and Accounts.

15.1 A Member queried whether the focus merely on the communications aspect of promoting the health of the public detracted from the importance of this part of the GPhC’s purpose. In response, DR undertook to review this and suggested that the Council may consider this when reviewing its strategy in June.

15.2 In response to a further concern regarding the accessibility of appendix 1 DR confirmed that the appendix was in a draft form and that work was underway to present within one document all the strands of information needed, including links to the risk register, in a way which could be easily read and understood.

16 The Council noted

i. the project which had been resourced and commissioned to strengthen and streamline our corporate planning and reporting process

ii. the report (at appendix 1) of a review of progress against the rolling Corporate Plan 2012-2015, in respect of the year to the end of March 2013

iii. the summary (at appendix 2) of the key components of the rolling Corporate Plan 2013-2016, in respect of the year April 2013-March 2014

CHIEF EXECUTIVE & REGISTRAR’S REPORT

17 DR introduced report 04.13/C/07 setting out recent meetings and developments.

17.1 DR confirmed that a date had been set for the first meeting of the Rebalancing Programme Board but that the Terms of Reference for the Board were not yet complete. In response to a Member request DR undertook to circulate the Terms of Reference and structure of the Board to
Council members once available.

17.2 The Council requested that outcomes of the Patient / Public focus group and the Public Perceptions survey (sections 8.0 and 9.0 of the report) be circulated to the Council and interested parties.

18 The Council noted the paper.

REVIEW OF ELEMENTS OF THE GOVERNANCE FRAMEWORK

19 AR introduced report 04.13/C/08 which set out a number of proposed updates to governance policies which were due for review. AR confirmed that where applicable, the proposed changes had been reviewed by the relevant Committees.

20 The Council agreed revisions to the following documents:
   i. the Council values;
   ii. the code of conduct for Council members and GPhC associates;
   iii. the standards of education and training for Council members and GPhC associates;
   iv. the standards of attendance at meetings for Council members and GPhC associates;
   v. the Audit & Risk committee and Remuneration Committee terms of reference;
   vi. the non-statutory committee standing orders; and
   vii. the procedure for appointment of members of the Audit & Risk and Remuneration Committees.

20.1 The Council also agreed that the Underpinning Principles document will be retained in the governance framework but not updated in future.

INTRODUCTION OF A BEHAVIOURAL FRAMEWORK FOR COUNCIL

21 Viv Murch (VM) introduced report 04.13/C/09 and reminded the Council of their decision to adopt a behavioural framework similar to that used by staff to review individual performance. She informed the Council that the version presented had been revised following comments received from Council Members.

21.1 The Council welcomed the framework and acknowledged that it could be a useful tool for Council Members to use as part of the performance appraisal process. The Council debated the behavioural statements set out at Appendix 1 and requested the statements be grouped according to types of
behaviours and that statements relating to behaviours around innovation, seeking continuous improvement and an awareness of EDI be added.

22 The Council agreed the behavioural framework subject to a review of the behavioural statements set out in appendix 1.

COUNCIL MEMBERS’ REMUNERATION

23 Liz Kay (LK), Chair of the Remuneration Committee, introduced report 04.13/C/10 and set out the background for the recommendation. The Council noted the thorough discussion that had taken place as set out in the Remuneration Committee unconfirmed minutes.

24 The Council agreed, as recommended by the Remuneration Committee, that there be:
- no change to the remuneration rates of the Chair and Members of the GPhC’s Council; and
- no change to the discretionary payments for the Chairs of the Audit & Risk and Remuneration Committees.

COUNCIL APPOINTMENTS 2014

25 The Chair informed the Council that he proposed to stay in the meeting for the item in question but not speak; this was accepted. Judy Worthington (JW) introduced report 04.13/C/11 informing the Council that the working group had held one final meeting since the report had been written and that the work of the group was now complete.

25.1 JW informed the Council that in agreeing the process the group had taken in to consideration feedback from a wide range of sources. She reported on the composition of the selection panel and informed the Council that the governance team would be submitting the relevant documentation to the Professional Standards Authority that week to gain approval to begin the process. The Council considered whether the advertising for chair and Council members should be distinct but noted that there were two closing dates and that the Council had delegated this decision to the working group.

25.2 JW placed on record her thanks to former Council Members, Celia Davies and Lesley Morgan who had sat with her on the working group for their contributions.

26 The Council noted the progress made in relation to the 2014 appointments process.
REMUNERATION COMMITTEE UNCONFIRMED MINUTES

27 LK introduced the unconfirmed minutes of the meeting held on 14 February 2013, drawing the Council’s attention to the decisions taken. She informed Council that the Committee would be meeting on 18 April to take forward various business items.

28 The Council noted the unconfirmed minutes of the 14 February 2013 Remuneration Committee meeting.

AUDIT & RISK COMMITTEE UNCONFIRMED MINUTES

29 David Prince introduced the unconfirmed minutes relating to the meeting held on 27 February, which he had observed as the incoming committee chair. It was agreed that the paper mentioned at minute 174 of those minutes (relating to statutory committees) would be re-circulated.

30 The Council noted the unconfirmed minutes of the 27 February 2013 Audit & Risk Committee meeting.

APPOINTMENTS COMMITTEE REPORT 2013

31 Elizabeth Filkin (EF), Chair of the Appointments Committee, and Elaine Mulingani (EM) joined for this item.

31.1 EF updated the Council on developments which had occurred since the report had been written. She stated that:
   i) the post with responsibility for empanelment arrangements had been filled and that the employee was in post (para 2.3.1 refers)
   ii) the 2013 performance reviews for Committee Members and Chairs were underway (para 4.2.3 refers)
   iii) decisions had been made in relation to committee population issues (para 5.2 refers)
   In relation to point iii) EF stated that the Rules confirmed that reserve panellists could not be used if a full member was available and that this would be communicated.

31.2 In response to a Member question EF confirmed that there would be a recruitment exercise in 2014 for FtP panel members and Chairs.

31.3 In response to a further Member question EF confirmed that the make up of panellists almost mirrors the makeup of the population of England and Scotland and that no complaints had been received in relation to the
composition of a panel. DR reported that efforts were ongoing to align panels with the make-up of the register; however it was not a legal requirement for a panel exactly to reflect the ethnicity of the registrants appearing before it.

32 The Council noted the report.

ANY OTHER NOTIFIED BUSINESS

33 There being no further public business, the public meeting closed at 3.55pm.

CONFIDENTIAL BUSINESS

MINUTES OF THE PREVIOUS MEETING – CONFIDENTIAL SESSION

34 The minutes of the meeting held in confidential session on 7 February 2013 were agreed as a true record of the meeting.

APPOINTMENT OF MEMBERS TO THE AUDIT & RISK AND REMUNERATION COMMITTEES

35 AR introduced paper 04.13/C/21 setting out the background for the appointments. RMN thanked those Council members for nominations received.

36 The Council agreed that Soraya Dhillon fill the vacancy on the Audit & Risk Committee and that Gordon Dykes fill the vacancy on the Remuneration for a period of one year from 1 April 2013. The Council also noted the appointment of Paul Hart as an External Member of the Remuneration Committee.

37 There being no further confidential business, the private meeting closed at 4.00pm.

Date of next meeting – 13 June 2013 - Manchester
Proposed legislative changes for regulatory bodies

Purpose
To update the Council on the Department of Health proposals for legislative changes affecting health regulatory bodies

Recommendation
The Council is asked to note the Department of Health’s position on proposed legislation for regulatory bodies.

1.0 Introduction

1.1 In January 2012 the Council considered the priorities for legislative reform and agreed to seek the following priority changes to the Pharmacy Order 2010:

a. Enable the GPhC to require evidence of English language competence from European Economic Area (EEA) applicants for registration.

b. Remove the prescriptive detail which specifies registration expiry dates in legislation; and enable the Council to deal with these matters (including the ‘rolling register’) in rules, following consultation.

c. Changes to the Fitness to Practise provisions in the Pharmacy Order to increase the flexibility and efficiency of the initial stages of the procedure.

d. Enable the GPhC to work in a more “joined-up” way with other regulators and authorities (eg. police forces), by requiring third parties to provide
information about applicants for registration, as well as information about current registrants.

e. Clarify that the GPhC is able to require certain European pharmacist applicants and all European pharmacy technician applicants to meet the standards of proficiency for safe and effective practice of pharmacy prior to registration.

f. Facilitate the development of a risk-based and proportionate approach to premises regulation by removing the requirements to specify the intervals for routine inspections, and the circumstances for special inspections and other visits, in rules.

1.2 Following that Council meeting our list was reviewed by the Council for Healthcare Regulatory Excellence (now the Professional Standards Authority) who confirmed to the Department of Health that in their opinion the GPhC’s proposed changes satisfied the criteria for legislation and should be pursued. The Professional Standards Authority have recently carried out a further review of outstanding bids for legislative change from the regulators, focusing on changes needed to protect the public. We identified the language testing for EEA applicants for registration (1.1, a. above) as the main issue for us among the changes that they cited.

1.3 In mid-May 2013 the Department of Health wrote to the chief executives of the regulatory bodies to update them on current plans for legislation in relation to matters arising out of:

- the 2012 Law Commission review on the regulation of health and social care professionals
- Enabling Excellence (February 2011 white paper)
- the Council for Healthcare Regulatory Excellence efficiency and effectiveness review
- the Francis report and
- a number of specific topics considered by the Department to be priorities.

2.0 **Key considerations**

2.1 The Department’s position as communicated in mid-May is that it plans to bring in a small number of changes based on pre-existing government priorities in advance of the legislation flowing from the Law Commission review. Two of the changes relate solely to the GMC namely:

- Language checks for doctors and
- The changes to GMC adjudication processes following on from the
2.2 A further change relating to the NMC will enable a review of Investigating Committee decisions and the use of case examiners.

2.3 The Department has also said that the proposed order to regulate herbal practitioners is still ongoing, although a number of issues have arisen which it is working through. It will update the regulatory bodies shortly on progress with this issue.

2.4 The final change is one that does affect us. It relates to indemnity arrangements. The Department of Health has a deadline of October 2013 to bring an EU directive into force in the UK requiring all regulated healthcare professionals to have professional indemnity arrangements in place (eg insurance provided by an employer) in order to practise. We have responded to the Department’s consultation on its preferred way to bring the directive into force; this includes secondary legislation that will apply to all health care regulators. Once amendments to legislation come into force, including any changes that are needed to the Pharmacy Order, we anticipate that we may need to amend our registration rules and/or introduce indemnity rules. We will update the Council when the way forward becomes clearer.

2.5 The Department has said that it is still considering changes identified by the Professional Standards Authority (after consultation with regulatory bodies) that affect public protection. The main issue for us in this respect is the language testing of EEA applicants (1.1, a. above). However no further legislation is likely to be introduced before the Law Commission legislation. In particular, with regard to the regulatory bodies’ constitution orders the Department has made the changes to the GMC, GDC and NMC and is taking forward similar changes to the HCPC but is not planning any further changes in the foreseeable future.

2.6 The Department’s position relating to other initiatives eg Enabling Excellence, changes to regulation linked to the Francis report, the CHRE cost and regulatory effectiveness review and other concerns raised by regulatory bodies including the GPhC is that they will be rolled up in the legislation that flows from the Law Commission review. The Department is seeking an early opportunity to bring this forward. It has not stated a timetable for this legislation but we know the Law Commission intend to report (with a draft Bill) in the spring of 2014. We will keep the Council updated on the timetable and any news that emerges about the draft Bill.

2.7 In parallel with the legislative programme outlined above concerning a number of the professional regulators, for the GPhC the programme also includes whatever legislative reform proposals emerge from the rebalancing programme.
We will update the Council on this at suitable intervals as previously envisaged.

2.8 In January 2012 the Council suggested that, where appropriate, a collaborative approach with the other health regulators would carry more weight. We continue to seek opportunities to collaborate whenever possible.

3.0 **Equality and diversity implications**

3.1 Equality and diversity issues will arise if the Department chooses to exclude visiting EEA pharmacists and pharmacy technicians from the indemnity provisions referred to in para 2.4: we are arguing that all registrants should be treated equally. Conversely if and when language testing is introduced for EEA applicants equality and diversity issues will arise; these could and should be safely addressed through the production of criteria and a fair implementation process. There are no other equality and diversity implications for the GPhC arising out of the proposed legislative changes.

4.0 **Communications implications**

4.1 The amendment to indemnity arrangements (and the language testing of EEA applicants if and when introduced) will create a positive opportunity to demonstrate the Council’s commitment to proportionate and cost-effective regulation.

5.0 **Resource implications**

5.1 Changes to legislation and consequent changes to our processes and procedures can be accommodated within existing resources.

6.0 **Risk implications**

6.1 The current provisions in the Pharmacy Order relating to indemnity arrangements place the responsibility on the Council to make rules about what is an adequate and appropriate indemnity arrangement. The proposed provisions place the responsibility on healthcare pharmacy professionals themselves together with their insurance or indemnity provider to ensure that any indemnity arrangement in place is appropriate to their duties, scope of practice and to the nature and extent of the risks that may arise in carrying out their work. The proposed change will lead to more effective and proportionate pharmacy regulation, as will the language testing of EEA applicants.
Recommendation

The Council is asked to note the Department of Health’s position on proposed legislation for regulatory bodies.

Alison Readman, Interim Head of Governance
General Pharmaceutical Council
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24 May 2013
Mid Staffordshire Public Inquiry: update on key issues for pharmacy regulation

Purpose
To agree a policy statement summarising the Council’s overall initial response to Robert Francis’s report (Public Inquiry into Mid Staffordshire NHS Foundation Trust) and to note the early priorities for action which have already been identified.

Recommendation

The Council is asked to
1. agree the statement attached at Appendix 1 and
2. to note the rest of this paper.

1.0 Introduction

1.1 Council had a full discussion at its April 2013 meeting of the implications for pharmacy regulation of the Francis report into failings at Mid Staffordshire NHS Foundation Trust.

1.2 It was agreed by the Council in April that a report should be prepared for Council proposing responses to each of the recommendations in the report concerned with regulation. This is in line with the decision taken by Council already to regard the regulation recommendations as relevant to our work notwithstanding that they were not specifically addressed to the GPhC. This report is scheduled to come to Council in September 2013.

1.3 Council requested, in addition, that a formal statement of the Council’s position should be prepared, and that early consideration be given to identifying any specific priority actions which
- ought to be added to our current planning in the short term or
- are already addressed in our planning but which we need to identify as forming part of the GPhC’s response to the report.

2.0 Council position statement

2.1 The Council’s position on the report has been communicated to the world at large and stakeholders through media channels, on the back of the debate at the April Council meeting. The proposal in this paper is to formalise the position in the form of a short policy statement agreed by Council. The proposed draft is attached as Appendix 1.

2.2 As a Council-agreed policy, the statement in its approved form would provide a firmer base not only for messages via our various communications channels but also for giving a more formal public account of the Council’s reaction to the report, in the form for example of a letter to Ministers and to Robert Francis. The statement could also be sent to other key stakeholders such as the PSA, other health regulators, National Voices and APTUK and RPS.

3.0 Early priorities

3.1 The perspective of patients is being designed in to our programme of work to develop a new way of inspecting and reporting on the standards being achieved in registered pharmacies. Work with both patient representative groups and discussion groups of individual patients is shaping our thinking, informed by their priorities and wishes with regard to the form and content of future inspection reports.

3.2 We support and are currently actively engaged in the Rebalancing initiative. This programme has a critical contribution to the Francis agenda in pharmacy by ensuring that the legal framework creates incentives to drive the right behaviours and culture, including openness and honesty around medicines errors.

3.3 We expect that the Rebalancing initiative will lead, amongst other things, to a government consultation on proposed changes to the law on dispensing errors. We are already committed to a review of the professional standards which we set for the pharmacy professions. In relation to candour there is a clear link to be made between potential law reform on dispensing errors and the professional obligations of pharmacists and pharmacy technicians. We will therefore keep the timing and scope of our work in this area under active review in the light of progress on law reform, in order to ensure that we co-ordinate as appropriate with any related government consultation.
3.4 The Francis report has provided an additional impetus to renew our existing commitment to ensure more effective and efficient collaboration between us and
- other relevant systems regulators and
- NHS governance and monitoring arrangements in England, Scotland and Wales.

3.5 In addition to the priority we attach to improving collaboration with systems regulators and NHS governance and monitoring, we have given some early priority to strengthening our collaboration with our fellow professional regulators. For example:
- we are working with the Royal Pharmaceutical Society and the regulators for the dental and optical professions to look at the possibility of some shared learning
- we have continued to collaborate as appropriate with the RPS to complement the work they are leading to support professionalism in pharmacy
- we have established a good dialogue with the Dispensing Doctors Association about standards issues.

3.6 We have set up a Learning Outcomes Review Group to look at the learning outcomes we specify in the education and training standards for pharmacy graduates. This group, which will be carrying out its work in June and July of this year, provides an early opportunity to identify and apply any of the relevant learning from the Francis report.

Recommendation

The Council is asked to
1. agree the statement attached at Appendix 1 and
2. to note the rest of this paper.

Duncan Rudkin, Chief Executive & Registrar
General Pharmaceutical Council
duncan.rudkin@pharmacyregulation.org, tel 020 3365 3501
30 May 2013
The Francis report: the position of the General Pharmaceutical Council

Our work as the pharmacy regulator is all about ‘upholding standards and public trust in pharmacy’. The terrible things that happened at Mid Staffordshire NHS Foundation Trust between 2005 and 2009 have done great damage to public trust in the systems for managing and regulating healthcare. As the pharmacy regulator we recognise our share of responsibility for making sure that public trust is re-built on firm foundations and that standards – in pharmacy in our case – are assured.

The GPhC Council, which directs and oversees all our work, has therefore decided that we should embrace the recommendations in Robert Francis’s report which relate to our work. Many of the themes in the report are timely and very relevant to current issues in pharmacy and pharmacy regulation, whether in hospital or community pharmacy or a wide range of other settings.

We already have an explicit agenda to regulate pharmacy purposefully

- to place clear and enforceable responsibilities on the organisations, companies and individuals owning and running registered pharmacies of all kinds to safeguard the health, safety and wellbeing of people using pharmacy services and
- to ensure that the organisational, cultural and physical environment in registered pharmacies is such that the professionals working there are supported and enabled to behave in the way the public expects of compassionate, responsible and accountable health professionals.

To achieve this we have an ambitious programme of work in place which incorporates many of the relevant themes highlighted in the Francis report. We have identified six topics we need to focus on as we continue to develop our work programme:

- enabling the voice of patients and carers to be heard in pharmacy and in the regulation of pharmacy
- improving our own use of information and making information about pharmacy regulation more transparent and useful both for patients and for everyone else with responsibilities in the system
- making sure we do all we can to promote openness and honesty with patients and families on the part of both pharmacy owners and individual pharmacy professionals
- enabling people, including patients and people working within pharmacy, to raise concerns about safety and standards of care so that these can be fully and openly addressed
• continuing to use regulation to engender an open, accountable and just culture within pharmacy, in which professionalism can flourish
• working proactively – both ourselves and with other organisations - to identify and tackle issues of concern.

Our Council will make sure we pick up and reflect these themes fully in all our planning and the work we do. They have asked us to report back to them in September so they can check we are doing this. In addition the Council will consider a further report in September addressing in more detail each of the recommendations in the report of particular relevance to our work.
Public business

Annual report and Accounts -
April 2012 to March 2013

Purpose
To approve the combined annual report, annual accounts and annual fitness to practise report.

Recommendation
The Council is asked to:
   i) approve the combined annual report; annual accounts and fitness to practise report for 2012-13
   ii) approve the reappointment of the external auditors, Grant Thornton,

1.0 Introduction

1.1 The Pharmacy Order 2010 sets out reporting requirements for the General Pharmaceutical Council. These requirements include, as set out in Schedule 1 Paragraph 7 and Paragraph 8 of the Order, the requirement to present to the Privy Council on an annual basis:

   • the annual report, including how we have met good practice in equality and diversity;
   • annual accounts including a report from our external auditor;
   • a statistical report on our fitness to practise proceedings, with the Council’s observations; and
   • a strategic plan.
1.2 Council agreed a strategic plan for 2013-2016 at its meeting in September 2012 and a review of strategy is planned for 12 June 2013.

1.3 The combined annual report, fitness to practise report and accounts should be provided to the Privy Council Office, by Wednesday 26 June at the very latest, if it is to be laid in both the Houses of Parliament and the Scottish Parliament before summer recess. The report will also be provided to the Welsh Assembly. The report is attached.

2.0 **Key Considerations**

2.1 The Privy Council Office and the parliamentary authorities have some specific requirements in terms of the report’s format and printing and we have consulted them on the format.

2.2 Our annual accounts were independently audited by Grant Thornton UK LLP and the financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). A copy of their key issues memorandum is at Appendix 2.

2.3 The Audit and Risk Committee’s terms of reference require it to consider the annual report and, following the independent audit of accounts, the annual accounts. The Audit & Risk Committee considered the annual report and accounts at its meeting on 30 May 2013.

2.4 The Audit and Risk Committee’s terms of reference also require the Committee to recommend to Council the external auditors. The Committee recommend the reappointment of Grant Thornton UK LLP.

3.0 **Equality and diversity implications**

3.1 The annual report sets out the actions we have taken to ensure we are compliant with legislative requirements on equality and diversity.

3.2 The annual report has been designed and published to be compliant with RNIB guidelines.

3.3 We will also be producing the report bilingually in English and in Welsh in accordance with the requirements of the Welsh Language Act 1993.
4.0 **Communications implications**

4.1 The annual report; annual accounts; and annual fitness to practise report will be published on our website. In addition, we will be sending copies to key organisations covering all our major stakeholders including, but not limited to, pharmacy and patient representative organisations across Great Britain.

4.2 We are also required to submit a copy of the annual report to the Welsh Language Board.

4.3 A copy of the annual report, annual accounts and annual fitness to practise report will also be submitted to the Professional Standards Authority.

5.0 **Resource implications**

5.1 Publishing and communicating our annual report, accounts and fitness to practise report will be covered by existing budgets.

6.0 **Risk implications**

6.1 The GPhC is required by statute to submit the required reports to the Privy Council Office for laying before each House of Parliament and the Scottish Parliament.

**Recommendation**

The Council is asked to agree the annual report, annual accounts and annual fitness to practise report.

*Duncan Rudkin, Chief Executive and Registrar*  
*General Pharmaceutical Council*  
duncan.rudkin@pharmacyregulation.org, tel 020 3365 3501

4 June 2013

**Appendix 1** - Combined annual report; annual accounts and fitness to practise report for 2012-13

**Appendix 2** - External auditors’ key issues memorandum
The combined annual report, fitness to practise report and accounts will be published on the GPhC website when it has been laid in both the Houses of Parliament and the Scottish Parliament. This will take place before summer recess.
Key Issues Memorandum

General Pharmaceutical Council

For the year ended 31 March 2013
22 May 2013

To the Audit and Risk Committee of the General Pharmaceutical Council ("GPhC")

The purpose of this memorandum is to highlight the key issues affecting the results of GPhC and the preparation of the GPhC’s financial statements for the year ended 31 March 2013. It is also used to report to those charged with governance to meet the mandatory requirements of International Standard on Auditing (UK & Ireland) 260.

We take responsibility for this memorandum, which has been prepared on the basis of the limitations set out in 'The small print' (Section 5).

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Grant Thornton UK LLP
1 Key audit issues 2
2 Audit adjustments 9
3 Design effectiveness of internal controls 10
4 Independence 12
5 The small print 13
1 Key audit issues

In this section we present our findings in respect of matters and risks identified at the planning stage of the audit and we provide details of additional matters that arose during the course of our work.

1.1 Status of audit
Our audit is substantially complete although we are finalising our procedures in the following areas:

- receipt of bank confirmation letters and completion of work on reconciliations
- completion of our VAT and tax reviews, including consideration of the treatment of the HMRC debtor by our tax team (see 1.11 below)
- receipt and review of final financial statements and annual report
- completion of our post balance sheet and going concern reviews
- receipt of the signed letter of representation

1.2 Matters identified at the planning stage
In the conduct of our audit, we have not had to alter or change our audit plan, which we communicated to you in our Audit Approach Memorandum dated 5 February 2013.

1.3 Management override of controls
Under ISA 240 there is a presumption that the risk of management override of controls is present in all entities. To assess this risk we performed the following procedures:

- Reviewed accounting estimates, judgements and decisions made by management
- Tested a sample of journal entries
- Reviewed significant and unusual transactions outside the ordinary course of business

Nothing has come to our attention to suggest instances of fraud through management override of controls.

1.4 Fraud risk in revenue recognition
Under ISA 240 there is a presumed risk that the revenue may be misstated due to improper recognition of revenue. To assess this risk we have performed the following procedures:

- Reviewed your revenue recognition policies
- Performed substantive testing over your significant income streams, including registration fees
- Reviewed the year end debtor balances for recoverability

We did not identify any fraudulent activity within our revenue testing.
1.5 Matters identified during the course of the audit in relation to fraud

During the course of the audit we have not identified any additional issues relating to fraud that would give us cause for concern.

1.6 Matters identified during the course of the audit in relation to related parties

We did not identify any previously undisclosed related parties or related party transactions in the course of the audit.

1.7 Matters identified during the course of the audit in relation to compliance with relevant laws and regulations

During the course of the audit we have not identified any issues in relation to compliance with relevant laws and regulations that would give us cause for concern.

1.8 Written management representations

We will be asking the Council to make written representations to us as part of our audit clearance procedures. A draft of the representation letter will be circulated separately.

1.9 Review of principal accounting policies, key judgements and estimates

As part of our audit we have reviewed your principal accounting policies and the key judgements and estimates relating to the financial statements. Other than those areas discussed in more detail in section 1.10 below, there are no further issues which we wish to bring to the attention of the Audit and Risk Committee.
## 1.10 Matters identified at the planning stage

<table>
<thead>
<tr>
<th>Issue</th>
<th>Auditor commentary</th>
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<tbody>
<tr>
<td><strong>1 Risk that revenue is overstated</strong>&lt;br&gt;A substantial portion of revenue in the year is derived from registration fees from pharmacists, technicians and premises. In the current year, income from this income stream totalled £20.9m. These monies are received in advance of the period to which the registration relates.</td>
<td>To gain assurance over this income stream, we performed proof in total testing by recalculating the expected income from each revenue stream. We used prices from the GPhC website and monthly downloads from &quot;Concept&quot; (the registrants’ database) to calculate the number of registrants in each month and from this data we recalculated the expected income.&lt;br&gt;&lt;br&gt;For registrants who spanned the financial year end we recalculated the deferred income and compared it to management’s calculation.&lt;br&gt;&lt;br&gt;All of our testing in this area proved satisfactory, with no significant issues arising from our work.&lt;br&gt;&lt;br<strong>Management comment:</strong>&lt;br&gt;We are content that Grant Thornton’s testing confirmed that our detailed processes are producing an accurate measure of our income.</td>
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<tr>
<td><strong>2 Risk that grant income is overstated</strong>&lt;br&gt;GPhC continues to utilise a Working Capital Grant from the Department of Health. During the course of the current financial year, £563k of the grant was released to fund expenditure incurred by the organisation. At the year end £1.6m of the grant remains in deferred income.</td>
<td>To gain assurance over the correct treatment of the grant in the year we reconciled the opening deferred income balance and the funds released in the year to ensure that the closing balance had been correctly calculated.&lt;br&gt;&lt;br&gt;In addition, we reviewed the utilisation of the grant in the year by obtaining a breakdown of the expenditure charged to the grant and tested a sample of the items to supporting invoices.&lt;br&gt;&lt;br&gt;In relation to our work on the grant we note here that whilst the grant was initially given to the organisation to support its work prior up to the point at which it became self funding, there remains ongoing dialogue between GPhC and the Department of Health over what the grant should be used for.&lt;br&gt;&lt;br<strong>As evidence of this dialogue, we understand that an annual summary is sent to the Department detailing what the grant has been spent on during the year and we have seen a copy of the last such letter, sent on the 25 May 2012.</strong></td>
</tr>
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</table>
This letter confirmed the "overriding principle that the grants can only be used for additional and non recurring activity".

As part of our audit procedures we reviewed the current year’s use of the grant with the Director of Finance and the Head of Finance and note here that the grant was utilised primarily during the year to fund the outsourcing of IT hardware to Advanced 365. In addition other costs charged to the grant included the depreciation of previously purchased fixed assets. These discussions were supported by our own substantive testing of a sample of expenditure items and we have therefore obtained reasonable assurance that the grant continues to be utilised appropriately.

As there are plans in the future for the grant to be used to fund significant capital projects, such as the IT developments, we have recommended to management that the balance of the grant held on the balance sheet should now be separated between that element which remains unspent as at the year end and that element which has already been used to purchase fixed assets and against which the relevant depreciation charge will be made going forward. We understand that this change will be incorporated into the revised financial statements.

Management comment:
The change has been incorporated into the financial statements.

<table>
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<th>3</th>
<th>Risk that costs are recognised in the incorrect period</th>
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<tr>
<td>Within any organisation operating as a going concern there is always the risk that costs have not been recognised in the correct period.</td>
<td>In seeking to gain assurance over the correct treatment of GPhC’s costs and liabilities, we performed the following work:</td>
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<td></td>
<td>• We developed an understanding of the procedures and internal controls by which expenditure is authorised and monitored by the GPhC</td>
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<td>• We tested of a sample of items to supporting documentation to assess the validity and correct recognition of the items</td>
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<td></td>
<td>• We reviewed post year end payments from the bank accounts to assess whether all liabilities existing prior to the 2012/13 year end have been correctly captured within the financial statements.</td>
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</table>
During our testing of payroll costs we were informed that one employee was paid for two months after leaving the organisation. The error was identified by GPhC and the funds were repay to the organisation. The error occurred while the Royal Pharmaceutical Society was still responsible for processing the payroll and no such issues have arisen since GPhC has assumed full responsibility for this function.

All other testing in this area proved satisfactory.

**Management comment:**
The problem was caused by a failure of RPS HR Dept. to notify GPhC’s Payroll Manager that the person had left. Since then, GPhC has brought HR ‘in-house’ so, hopefully, we will not see a repeat of this incident.

<table>
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<tr>
<th>4 Office move</th>
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<tbody>
<tr>
<td>In our Audit Approach Memorandum we highlighted the fact that the GPhC was at that time finalising its decision in relation to a possible office move.</td>
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</table>

As part of our final audit procedures we discussed this further with management and it was confirmed that the GPhC has decided to proceed with an office move.

We therefore sought to ascertain whether any dilapidation provision is required for the properties currently occupied. Management have confirmed that a small liability may arise in relation to the Albert Embankment office on account of a server room which was constructed when GPhC took occupancy of the office. It is the belief of management that the organisation could therefore be liable to a cost of up to £10,000 to make good this office. This liability has not been included within the financial statements.

Given that this balance is highly immaterial we are in agreement with management that its non-inclusion does not have a material impact upon the financial statements.

**Management comment:**
Noted
1.11 Matters identified during the course of the audit

<table>
<thead>
<tr>
<th>Issue</th>
<th>Auditor commentary</th>
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<tbody>
<tr>
<td>1. HMRC debtor&lt;br&gt;At the year end GPhC have a £157k debtor balance in relation to PAYE &amp; NI to be re-paid by HMRC.</td>
<td>During the course of 2012/13, following consultations with HMRC, it was confirmed that the GPhC Fitness to Practice Panel (FTPP) is not an &quot;office&quot; for tax and NIC purposes. As a result, GPhC is entitled to a repayment of the overpaid tax and NI contributions. The total repayment due to GPhC was initially calculated by PKF to be £180k on the basis that all amounts overpaid since the establishment of the organisation could be reclaimed. This sum was included as a debtor within the draft financial statements. We have seen a copy of the initial letter sent from HMRC (dated 15 March 2013) confirming the employment status of the FTPP members. However, this letter does not confirm the period to which GPhC is entitled to a reclaim. Instead it states simply that &quot;HMRC therefore consider that as from 7 March 2013, the individuals scheduled to sit on a FTPP would not be classed as employees of the GPC for tax nad NIC purposes.&quot; In subsequent discussions with HMRC, we understand that HMRC have stated that GPhC can only reclaim National Insurance Contributions paid in the previous two years (back to March 2011) and PAYE payments made in the previous four years. As a result the initial debtor has been reduced to £157k as the remaining £23k was paid prior to the eligible reclaim period. In the absence of formal communication from HMRC confirming the period for which GPhC is entitled to make the reclaim, we will also be consulting with our in house tax team to gain assurance over the appropriateness of the balance.</td>
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<tr>
<td>Issue</td>
<td>Auditor commentary</td>
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<tr>
<td><strong>Management comment:</strong></td>
<td>HMRC has informed GPhC’s adviser that we are entitled to reclaim 4 years income tax and 2 years National Insurance. Our adviser is considering whether to challenge HMRC’s assertion on NI.</td>
</tr>
<tr>
<td><strong>Petty cash float</strong></td>
<td>We have discussed the treatment of this balance with Management and are in agreement with them that the balance does not represent a cash balance within GPhC's accounts but rather a debtor balance as it is effectively expenses reimbursed in advance. The final financial statements have been updated to reflect this change.</td>
</tr>
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</table>

**Management comment:**
Agreed
2 Audit adjustments

2.1 Misstatements
We are required to communicate all uncorrected misstatements to you, other than those considered to be clearly trivial. We are pleased to report that there are no uncorrected misstatements arising from our audit work.

2.2 Adjusted misstatements
During the course of our audit we identified one item which has subsequently been adjusted for within the final financial statements. This was a reclassification of a year end payroll creditor totalling £197,631 from trade creditors to "other taxes and HMRC" within creditors. This adjustment had no impact upon the organisation's surplus for the year.
3 Design effectiveness of internal controls

3.1 Accounting system and internal control
Our audit is not designed to identify all significant weaknesses in GPhC’s internal controls but is designed primarily for the purpose of expressing our opinion on the financial statements of GPhC. However, where, as part of our testing, we identify any control weaknesses, we will report these to you.

In consequence, our work did not encompass a detailed review of all aspects of the internal controls and cannot be relied upon necessarily to disclose all defalcations or other irregularities or to include all possible improvements in internal control.

See 'The small print' for further details of our approach in respect of internal controls.
### 3.2 Key findings

#### Key to assessment of internal control deficiencies

- **Material weakness** - risk of material misstatement
- **Significant deficiency** - risk of significant misstatement
- **Deficiency** - risk of inconsequential misstatement

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<thead>
<tr>
<th>Assessment</th>
<th>Issue and risk</th>
<th>Recommendation</th>
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<tbody>
<tr>
<td>1</td>
<td>Bank Reconciliations</td>
<td>Whilst the item noted is highly immaterial, we have reported it here on account of the importance of bank reconciliations to the internal financial controls of the organisation.</td>
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<td></td>
<td></td>
<td><strong>Management response:</strong></td>
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<td></td>
<td></td>
<td>The problem occurred when there was a transfer of responsibility between 2 members of staff, following the return from holiday of the member with main responsibility for the reconciliation.</td>
</tr>
<tr>
<td>2</td>
<td>Supplier details</td>
<td>We have recommended that management review their policies and procedures surrounding the updating of supplier information on the purchase ledger. We would recommend that exception reports identifying changes are run regularly and reviewed by senior finance staff. In addition, when letters are received notifying the organisation of a change in supplier bank details, we recommend that staff contact a known contact at the suppliers for confirmation of the change of the bank details.</td>
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<td></td>
<td></td>
<td><strong>Management response:</strong></td>
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<td></td>
<td></td>
<td>The recommendations are accepted and will be implemented.</td>
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</tbody>
</table>
4 Independence

Ethical standards require us to give you full and fair disclosure of matters relating to our independence.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.

In accordance with best practice, we analyse our fees below:

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<th>£</th>
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<tr>
<td>Audit</td>
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5 The small print

Purpose of memorandum
This Key Issues Memorandum has been prepared for the benefit of discussions between Grant Thornton, the Audit and Risk Committee of the General Pharmaceutical Council ("GPhC") and the Council Members.

The purpose of this memorandum is to highlight the key issues affecting the results of GPhC and the preparation of GPhC’s financial statements for the year ended 31 March 2013.

This document is also used to report to management to meet the mandatory requirements of International Standard on Auditing (UK & Ireland) 260.

We would point out that the matters dealt with in this report came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements of GPhC.

This memorandum is strictly confidential and although it has been made available to management to facilitate discussions, it may not be taken as altering our responsibilities to the GPhC arising under our audit engagement letter.

The contents of this memorandum should not be disclosed to third parties without our prior written consent.

Responsibilities of the Council Members and auditors
The Council Members are responsible for the preparation of the financial statements and for making available to us all of the information and explanations we consider necessary. Therefore, it is essential that the directors confirm that our understanding of all the matters in this memorandum is appropriate, having regard to their knowledge of the particular circumstances.

Clarification of roles and responsibilities with respect to internal controls
GPhC’s management is responsible for the identification, assessment, management and monitoring of risk, for developing, operating and monitoring the system of internal control and for providing assurance to the Audit and Risk Committee that it has done so.

We have applied our audit approach to document, evaluate and assess your internal controls over the financial reporting process in line with the requirements of auditing standards.

Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we will report these to you.

In consequence, our work cannot be relied upon to disclose defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify.

We would be pleased to discuss any further work in this regard with the Audit and Risk Committee.

ISAUK 260 requires communication of:
- relationships that have a bearing on the independence of the audit firm and the integrity and objectivity of the engagement team
- nature and scope of the audit work
- significant findings from the audit
Direct Debit Indemnity scheme signatories

Purpose
To update the list of signatories for the GPhC’s Direct Debit Indemnity Scheme following the departure of John Flook.

Recommendation
The Council is asked to approve David Prince as a signatory on the GPhC’s Direct Debit Indemnity Scheme

1. Background

1.1. The Direct Debit Indemnity Scheme indemnifies the Council’s bank and its registrants from any unlawful use of the direct debit mandates granted to the Council by its registrants. The Scheme requires five Council members to accept unlimited personal liability for any claims that may be made arising out of the GPhC’s direct debit operations.

1.2. In May 2010, the Council agreed that the GPhC would in turn indemnify each of those members to the full extent of any loss that each may incur as a result of signing the direct debit indemnity scheme. The Council also agreed that the GPhC would participate as a Service User in the Direct Debit Scheme and authorised the Chair and the Chief Executive to confirm to the individuals concerned the scope of the indemnity which the Council owed to them in respect of any liability they might personally incur as signatories.

1.3. The indemnity to the five signatories is provided via the Directors and Officers (D&O) insurance policy. More information is provided in appendix 1.

1.4. The signatories are currently:
   - John Flook
   - Sarah Brown
   - Elizabeth Kay
   - Tina Funnell
   - Keith Wilson
2. Key considerations

2.1. The list of signatories must now be updated following the departure of John Flook from the Council. Council is therefore asked to agree that David Prince, Council member and Chair of the Audit and Risk Committee, replace John Flook as one of the five signatories.

Appendix 1: Council briefing: Fiduciary duties and directors’ and officers’ insurance

Bernard Kelly
Director of Resources and Customer Services
General Pharmaceutical Council
bernard.kelly@pharmacyregulation.org, tel 020 3365 3510

22 May 2013
Fiduciary duties and directors’ and officers’ insurance

Purpose
To provide a background briefing to the Council on its fiduciary responsibilities

1.0 Background

2.0 This paper updates the paper presented to the Council designate at its December 2009 meeting. The substance remains the same although the exceptions to the directors’ and officers’ policy have been added and the text has been put into our current house style.

2.1 A fiduciary relationship is commonly acknowledged to exist when someone has confidence or trust imposed on them to deal with property that is not their own or when someone is reliant upon the advice and guidance of another. Certain relationships are always classed as fiduciary. The prime example is the relationship between a trustee and beneficiary but it extends also to the relationship between an agent and his principal, a director and his company, a solicitor and his client and between partners in a partnership.

2.2 The distinguishing feature or obligation of a fiduciary is the obligation of loyalty. This is well recorded as the following duties:

- A fiduciary must act in good faith;
- He must not make a profit out of his position;
- He must not place himself in a position where his duty and his interest may conflict;
- He may not act for his own benefit or the benefit of a third person without the informed consent of the person for whom he is acting.

3.0 Key considerations

3.1 The GPhC is answerable to the UK and Scottish parliaments as the representatives of the public and will hold powers and responsibilities placed on
it by statute. In respect of its statutory obligations, its duties and responsibilities are set out and governed by statute. Nevertheless, in respect of the fees it raises from registrants and by extension the general public the relationship would appear to be such that the key fiduciary responsibilities also apply.

3.2 Being entrusted with the ability to raise funds through its fee-setting powers, the GPhC must ensure those funds are spent wisely and that it does not abuse its powers by raising funds unnecessarily. On the other hand it is also entrusted with protecting the public and should not undermine that responsibility by failing to ensure it has sufficient funds to discharge its responsibilities.

3.3 The Council as the governing body exercises the GPhC’s powers and therefore must act as if the fiduciary responsibility falls on the members of the Council both individually and collectively. What does this mean for individual Council members?

3.4 In a general sense the duties of a fiduciary are very similar to the duties imposed on anyone holding public office and enshrined in the Nolan principles of public life. Which are:-

**Selflessness**: Holders of public office should act solely in terms of the public interest.

**Integrity**: Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

**Objectivity**: Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

**Accountability**: Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

**Openness**: Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

**Honesty**: Holders of public office should be truthful.

---

1 Principally the Pharmacy Order 2010 as amended [SI 2010 No. 231].
**Leadership:** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

As can be seen all of the duties required from of a fiduciary are clearly established within the Nolan principles.

3.5 Council members should certainly take their responsibilities seriously but if they act on the basis that they collectively and individually owe a fiduciary responsibility to others, it is most unlikely that their conduct will give rise to question.

4.0 **D&O insurance**

4.1 As is usual, the GPhC has indemnity insurance in the form of a Directors and Officers (D&O) insurance policy. It provides protection against actions taken against those responsible for governing and conducting business on behalf of an organisation, including reasonable legal costs.

4.2 The main exceptions to the policy are:

- Fraud or intentional breach of law
- Any wrongful act or claim reported under a previous D&O policy
- Failure to perform, or any wrongful act in the performance of, professional services
- Personal injury or property damage (exclusion not applicable to defence costs on account of a criminal proceeding for manslaughter or any other offence)
- A claim which is an employment claim
- Breach of, or alleging liability under, any contractual term excepting for such amount of loss as the insured person would be legally and personally liable to pay in the absence of such term
- Breach of any law, duty or trust by an insured person in their capacity as trustee, fiduciary or administrator or any superannuation, pension, profit sharing, health and welfare or other employee benefit scheme, programme, plan or trust established or maintained to provide benefits to Trustees, directors, governing body members, officers or Employees
- A claim based upon, arising from, or in consequence of such Insured Person having gained any personal profit, remuneration or advantage to which such insured person was not legally entitled, if there is a finding of such gain in a judgement or other final adjudication or if such Insured Person admits such gain
• A USA claim by or on behalf of any insured (with exceptions)
• A claim based upon, arising from or in consequence of pollution (with exceptions).

4.3 A copy of the policy is available on request.

Alison Readman, Interim Head of Governance, General Pharmaceutical Council
alison.readman@pharmacyregulation.org, tel 020 3365 3450

19 March 2013
Revised Standing Financial Instructions (SFIs)

Purpose
To ask the Council to approve the revised SFIs as recommended by the Audit and Risk Committee.

Recommendation
The Council is asked to approve the revised SFIs.

1. Background

1.1 Standing Financial Instructions are an essential part of the governance structure and provide control against inappropriate expenditure and fraud. They provide a framework within which internal financial control systems are built. They also provide a means of managing financial risks and delegating financial decisions to the appropriate level.

1.2 At its meeting on 12 October 2012, the Audit and Risk Committee was presented with an annotated copy of the SFIs, showing proposed amendments. Subsequent to the meeting, the committee was asked to provide any comments on the proposed amendments. No such comments were received.

1.3 At its meeting on 30 May 2013, the Audit and Risk Committee agreed to recommend the revised SFIs to Council.

1.4 The revised SFIs are set out in appendix 1.

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4 June 2013
Standing Financial Instructions

1.0 Introduction
1.1 The Council has agreed a governance and assurance framework for the General Pharmaceutical Council (GPhC). Under this framework, the Council sets the organisation's strategic aims and the executive, led by the Chief Executive & Registrar (CE&R), has the role of achieving the aims set by the Council. It follows that appropriate financial matters should be delegated by way of Standing Financial Instructions.

2.0 Purpose of policy
2.1 Standing Financial Instructions (SFIs) are a key mechanism for managing financial risks and for ensuring efficient working by delegating financial decisions to the lowest level competent to take them. The SFIs establish a framework within which the internal financial control systems are built. The SFIs are therefore an essential part of the governance structure which acts as a control against inappropriate expenditure and a protection against fraud.

3.0 Policy statement
3.0.1 These Standing Financial Instructions (SFIs) detail the financial responsibilities, policies and procedures adopted by the GPhC. They are designed to ensure that the GPhC's financial transactions are carried out in accordance with the responsibilities laid upon it by parliament and comply with good governance standards. They will be used in conjunction with the Scheme of Delegation adopted by the GPhC. The SFIs remain in force unless and until they are amended or revoked by the Council.

3.0.2 The SFIs identify the financial responsibilities which apply to Council members and employees of the GPhC. The SFIs are the primary source of guidance on financial control within the GPhC and override all other operational instructions and procedures on financial matters. All financial procedures must be approved by the Director of Resources.

3.0.3 Should any difficulties arise regarding the interpretation or application of any of the SFIs, the advice of the Director of Resources must be sought before acting.

3.0.4 Compliance with the SFIs is compulsory for all members and employees of the GPhC. Failure to comply can in certain circumstances be regarded as a disciplinary matter that could result in dismissal. Council members and employees are expected to know about and apply those sections of the SFIs that are relevant to their day to day responsibilities. It is the duty of all managers in the GPhC to ensure that their staff observe these SFIs.
3.0.5 **Overriding Standing Financial Instructions** – If for any reason these SFIs are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance shall be reported to the next formal meeting of the Audit & Risk Committee for referring action or ratification. All members of the Council and employees have a duty to disclose any non-compliance with these SFIs to the Director of Resources as soon as possible.

3.1 **Responsibilities and delegation**

3.1.1 **The Council**

The Council is responsible for:

(a) Consulting on and setting fees;

(b) Keeping accounts;

(c) Preparing and publishing annual accounts in accordance with extant legislation applicable to corporate bodies;

(d) Appointing auditors.

The Council exercises financial supervision and control by:

(e) Formulating the financial strategy;

(f) Requiring the submission and approval of budgets within approved overall income;

(g) Defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money); and

(h) Defining specific responsibilities placed on the Council, committees and Chief Executive & Registrar as indicated in the Scheme of Delegation.

To assist it in the discharge of its financial and other responsibilities the Council shall establish three committees:

1. The Audit & Risk Committee
2. The Remuneration Committee
3. The Appointments Committee

The delegated powers of these committees are set out in the Scheme of Delegation.

3.1.2 The Council has resolved that certain powers and decisions may only be exercised by the Council in formal session. These are set out in the Scheme of Delegation. All other powers have been delegated to the Chief Executive & Registrar and such committees as the GPhC has established.

3.1.3 **The Chief Executive & Registrar and Director of Resources**

The Chief Executive & Registrar (CE&R) and Director of Resources will, as far as possible, delegate their detailed responsibilities. The CE&R, and the Director of Resources through the CE&R, remain accountable to the Council for financial control.

Within the SFIs, it is acknowledged that the CE&R is ultimately accountable to the Council for ensuring that the Council meets its obligation to perform its functions within
the available financial resources. The CE&R has overall executive responsibility for the GPhC’s activities, is responsible to the Council for ensuring that its financial obligations and targets are met and has, through the Director of Resources, overall responsibility for the GPhC’s system of internal control.

3.1.4 It is a duty of the CE&R to ensure that Council members, employees and all new appointees are notified of, and put in a position to understand, their responsibilities within these Instructions.

3.1.5 The Director of Resources
The Director of Resources is responsible for:

(a) implementing the GPhC's financial policies and for co-coordinating any corrective action necessary to further these policies;

(b) maintaining an effective system of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions;

(c) ensuring that good financial practice is adopted by the GPhC, in accordance with accepted professional standards and taking account of advice received from the internal and external auditors;

(d) ensuring that sufficient records are maintained to show and explain the GPhC’s transactions, in order to disclose, with reasonable accuracy, the financial position of the GPhC at any time;

and, without prejudice to any other functions of the GPhC and employees of the GPhC, the duties of the Director of Resources include:

(e) the provision of financial advice to the Council, committees and employees of the GPhC;

(f) the design, implementation and supervision of systems of internal financial control; and

(g) the preparation and maintenance of such accounts, certificates, estimates, records and reports as the GPhC may require for the purpose of carrying out its statutory duties.

3.1.6 Council Members and Employees
All Council members and employees of the GPhC, severally and collectively, are responsible for:

(a) the security of the property of the GPhC;

(b) avoiding loss;

(c) exercising economy and efficiency in the use of resources; and

(d) conforming with the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and the Scheme of Delegation.
3.1.7 **Contractors and their employees**

Any contractor or employee of a contractor who is empowered by the GPhC to commit the GPhC to expenditure or who is authorised to obtain income shall be covered by these instructions. It is the responsibility of the CE&R to ensure that such persons are made aware of this.

3.1.8 For all employees who carry out a financial function, the form in which financial records are kept and the manner in which employees discharge their duties must be to the satisfaction of the Director of Resources.

3.2 **Financial Procedure Manual**

(a) Despite being the primary source of financial guidance, it is undesirable that the SFIs outline all detailed financial procedures. Instead, detailed guidance on finance systems, controls and procedures is to be found in the Financial Procedure Manual.

(b) The Director of Resources will be responsible for maintenance of the Financial Procedure Manual.

(c) Procedures should at all times comply with the requirements of the SFIs.

4. **Audit**

4.1 **Audit & Risk Committee**

4.1.1 An Audit & Risk Committee is a central means by which the Council ensures that effective internal control arrangements are in place. In addition, the Audit & Risk Committee provides a mechanism to assist the Council in holding the executive to account through the CE&R. The Council shall formally establish an Audit & Risk Committee with clearly defined terms of reference, which will include considering and making recommendations to the Council on the approval of the annual accounts.

4.1.2 The minutes of the Audit & Risk Committee meetings shall be formally recorded and circulated to the Council. The Committee will report to the Council annually on its work.

4.1.3 Where the Audit & Risk Committee considers there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the Committee wishes to raise, the Chair of the Audit & Risk Committee should raise the matter at a full meeting of the Council.

4.2 **Audit & the Director of Resources**

4.2.1 The Director of Resources is responsible for:

(a) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective internal audit function;

(b) ensuring that the internal audit function meets professional audit standards and provides sufficient independent and objective assurance to the Audit & Risk Committee and the CE&R;
(c) deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption; and

(d) ensuring that an annual internal audit report is prepared for the consideration of the Audit & Risk Committee. The report must cover:

(i) a clear opinion on the effectiveness of internal control in accordance with current assurance framework guidance including, for example, compliance with control criteria and standards;

(ii) major internal financial control weaknesses discovered;

(iii) progress on the implementation of internal audit recommendations;

(iv) progress against plan over the previous year;

(v) a strategic audit plan covering the coming three years;

(vi) a detailed plan for the coming year.

4.2.2 The Director of Resources or designated internal or external auditor is entitled without necessarily giving prior notice to require and receive:

(a) access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature;

(b) access at all reasonable times to any land, premises or Council member or employee of the GPhC;

(c) the production of any cash or other property of the GPhC under the control of a Council member or employee or other appointee; and

(d) explanations concerning any matter under investigation.

4.3 Role of Internal Audit

4.3.1 Internal audit is an independent and objective appraisal service within an organisation which provides:

(a) an independent and objective opinion to the CE&R, the Council, and the Audit & Risk Committee on the degree to which risk management and internal controls support the achievement of the organisation’s agreed objectives;

(b) an independent and objective consultancy service specifically to help line management improve the organisation’s risk management and internal control arrangements.

4.3.2 Internal audit will review, appraise and report upon policies, procedures and operations in place to;

(a) establish and monitor the achievement of the organisation’s objectives;

(b) identify, assess and manage the risks to achieving the organisation’s objectives;
(c) ensure the economical, effective and efficient use of resources;

(d) ensure compliance with established policies (including behavioural and ethical expectations), procedures, laws and regulations;

(e) safeguard the organisation’s assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption;

(f) ensure the integrity and reliability of information, accounts and data, including internal and external reporting and accountability processes.

4.3.3 The individual charged with responsibility for internal audit will provide to the Audit & Risk Committee;

(a) a risk-based plan of internal audit work, agreed with management and for approval by the Audit & Risk Committee, based upon the management’s assurance framework that will enable the auditors to collect sufficient evidence to give an opinion on the adequacy and effective operation of the organisation;

(b) regular updates on the progress against plan;

(c) reports of management’s progress on the implementation of action agreed as a result of internal audit findings;

(d) an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation’s risk management and system of internal controls;

(e) additional reports as requested by the Audit & Risk Committee.

4.3.4 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores, or other property or any suspected irregularity in the exercise of any function of a pecuniary nature, the Director of Resources must be notified immediately.

4.3.5 The individual charged with responsibility for internal audit will normally attend Audit & Risk Committee meetings and has a right of access to all Audit & Risk Committee members, the GPhC Chair and the CE&R.

4.3.6 The individual charged with responsibility for internal audit is managed by the Director of Resources. The reporting system for internal audit shall be agreed by the Audit & Risk Committee, with advice from the Director of Resources and the individual charged with responsibility for internal audit.

4.3.7 The Audit & Risk Committee must consider the appointment of the internal audit service and make appropriate recommendations to the Council.

4.4 External Audit

The External Auditor is appointed by the Council of the GPhC. The Council must ensure that a person eligible for appointment as a statutory auditor under Part 42 of the Companies Act 2006 (statutory auditors) audits the Council’s annual accounts. The
Audit & Risk Committee must ensure a cost-efficient service through periodic review of service provision.

4.5 Fraud and Corruption

(a) Fraud, corruption and other irregularities are sensitive and damaging issues that can lead to financial loss, adverse publicity and loss of public confidence in the way an organisation’s finances and resources are being used. It is therefore important that the GPhC has robust systems and procedures in place to ensure that the risk of impropriety is minimised as far as possible, and that where instances do occur, there is a prompt and effective response to them.

(b) The GPhC expects all Council members and employees to report to the CE&R, Director of Resources or GPhC Chair any suspicions they might have of fraudulent or corrupt behaviour.

(c) The GPhC imposes an obligation that all gifts and hospitality with a value equal to or more than £20 given to staff in the course of their duties are centrally recorded on a gifts & hospitality register, maintained by the governance team.

5. Budgets, budgetary control and monitoring

5.1 Preparation and approval of financial plan and budgets

5.1.1 The Director of Resources, on behalf of the CE&R, will compile and submit to the Council a financial plan which takes into account expected fee levels, financial targets and forecast limits of expenditure and resources. The plan will contain:

(a) a statement of the significant assumptions on which the plan is based;

(b) details of major changes in fees, workload, delivery of services or other resources required to achieve the plan.

5.1.2 Prior to the start of the financial year the Director of Resources will, on behalf of the CE&R, prepare and submit budgets for approval by the Council. Such budgets will:

(a) be in accordance with the aims and objectives set out in the Council’s strategic plan;

(b) accord with workload and manpower plans;

(c) be produced following discussion with appropriate budget holders;

(d) be prepared within the limits of available funds;

(e) identify potential risks.

5.1.3 The Head of Finance shall monitor financial performance against budget and the financial plan, periodically review them, and report to the Director of Resources who will report to the Council.

5.1.4 All budget holders must provide information as required by the Director of Resources to enable budgets to be compiled.
5.1.5 The Head of Finance has a responsibility to ensure that adequate training is delivered on an on-going basis to budget holders to help them manage budgets successfully.

5.1.6 Budget holders shall consult the Director of Resources or Head of Finance with respect to any new proposals which have financial implications that cannot be met from within agreed budgets; such consultation shall take place in sufficient time beforehand for due consideration to be given to the financial implications.

5.2 Budgetary Delegation

5.2.1 The CE&R may delegate the management of a budget to permit the performance of a defined range of activities. This delegation must be in writing and be accompanied by a clear definition of:

(a) the amount of the budget;
(b) the purpose(s) of each budget heading;
(c) individual and group responsibilities;
(d) authority to exercise virement;
(e) achievement of planned levels of service;
(f) the provision of regular reports.

5.2.2 The CE&R and delegated budget holders must not exceed the budgetary total set by the Council.

5.2.3 Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the CE&R, subject to any authorised use of virement.

5.2.4 Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the CE&R, as advised by the Director of Resources.

5.3 Budgetary Control and Reporting

5.3.1 The Director of Resources will devise and maintain systems of budgetary control. These will include:

(a) regular financial reports to the Council in a form approved by the Council containing:
   (i) income and expenditure to date showing trends and forecast year-end position;
   (ii) movements in working capital;
   (iii) movements in cash and capital;
   (iv) capital project spend and projected outturn against plan;
   (v) explanations of any material variances from plan;
(vi) details of any corrective action where necessary and the CE&R’s and/or Director of Resources' view of whether such actions are sufficient to correct the situation;

(b) the issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible;

(c) investigation and reporting of variances from financial, workload and manpower budgets;

(d) monitoring of management action to correct variances;

(e) arrangements for the authorisation of budget transfers.

5.3.2 Each budget holder is responsible for ensuring that:

(a) any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Council;

(b) the amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised, subject to the rules of virement;

(c) no permanent employees are appointed without the approval of the CE&R other than those provided for within the available resources and manpower establishment as approved by the Council;

(d) budget holders shall use the Council's accounting systems to enable effective monitoring of their budgets and shall ensure that expenditure and income are allocated to the appropriate activity in the accounts.

5.4 Capital Expenditure

5.4.1 The general rules applying to delegation and reporting shall also apply to capital expenditure. (The particular applications relating to capital are contained in SFI 14).

6. Annual Accounts

6.1 The Council must

(a) keep accounts, which must be in such form as the Privy Council may determine; and

(b) prepare annual accounts in respect of each financial year, which must be in such form and must be prepared by such date as the Privy Council determines.

6.2 The Director of Resources, on behalf of the GPhC, will:

(a) prepare the accounts in accordance with Privy Council requirements, accounting standards (including disclosures), the GPhC’s accounting policies and generally accepted accounting practice;

(b) submit the accounts to the Council.
6.3 The GPhC's annual accounts must be audited by a person eligible for appointment as a statutory auditor under Part 42 of the Companies Act 2006 (statutory auditors).

6.4 The GPhC's audited annual accounts together with the report of the external auditor must be presented to the Council for approval.

6.5 As soon as is reasonably practicable after those accounts have been audited and approved, the Council will cause them to be published together with the report by the auditors.

6.6 The CE&R shall ensure that the Council is supplied with a statement on the effectiveness of internal controls within the annual accounts.

6.7 A copy of the annual accounts and the auditors' report will be sent to the Privy Council, which will place before each House of Parliament and before the Scottish Parliament a copy of the annual accounts and report on the accounts made by the appointed auditors.

7. Annual reports

7.1 The Council will publish the following reports and strategic plan in each calendar year, by such date as the Privy Council may determine:

(a) a report on the exercise of its functions which includes a description of the arrangements that the Council has put in place to ensure that it adheres to good practice in relation to equality and diversity (and for these purposes ‘equality’ and ‘diversity’ have the meanings given in section 8(2) of the Equality Act 2006 (equality and diversity));

(b) a statistical report which indicates the efficiency and effectiveness of, and which includes a description of, the arrangements which the Council has put in place to protect members of the public from registrants whose fitness to practise is impaired, together with the Council’s observations on the report; and

(c) a strategic plan for the Council in respect of such number of years as the Council determines.

7.2 The Council must submit copies of the reports and the plan published under subparagraph 7.1 to the Privy Council and the Privy Council must lay copies of the reports and the plan before each House of Parliament and before the Scottish Parliament.

8. Bank accounts

8.1 General

8.1.1 The CE&R shall approve the banking arrangements, including authorising the opening and closing of bank accounts.

8.1.2 The CE&R and Director of Resources will maintain a list of employees who are on bank mandates and review these annually or as and when an employee leaves.

8.1.3 Transfers to and from accounts must be authorised in accordance with the bank mandates approved by the CE&R, by the Director of Resources or his authorised deputy.
and a senior manager drawn from a panel of authorised signatories approved by the CE&R.

8.1.4 All cheque or individual electronic payments (e.g., Chaps) must be authorised by the Director of Resources or authorised deputy in accordance with the bank mandates approved by the CE&R.

8.1.5 The Director of Resources is responsible for:

(a) The management of bank accounts, including arrangements for opening and closing accounts approved by the CE&R;

(b) ensuring payments made from bank accounts do not exceed the amount credited to the account except where arrangements have been made;

(c) reporting to the Council all arrangements made with the GPhC's bankers for accounts to be overdrawn in accordance with the borrowing levels approved by the Council, in accordance with the Scheme of Delegation.

8.1.6 The Head of Finance will prepare detailed instructions on the operation of bank accounts which must include:

(a) the conditions under which each bank account is to be operated;

(b) those authorised to sign cheques or other orders drawn on the GPhC's accounts.

8.1.7 The Head of Finance must advise the GPhC's bankers in writing of the conditions under which accounts will be operated.

8.2 Tendering and Review

8.2.1 The Director of Resources and Head of Finance will review the banking arrangements of the GPhC and, to ensure that they continue to reflect best practice and represent best value for money; periodically seek competitive tenders for the GPhC's banking business.

8.2.2 Competitive tenders should be sought at least every 5 years. The results of the tendering exercise should be reported to the CE&R.

9. Income, fees and charges and security of cash, cheques and other negotiable instruments

9.1 Income systems

9.1.1 The Head of Finance is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, and collection and coding of all monies due.

9.1.2 The Head of Finance is also responsible for the prompt banking of all monies received. No deductions may be made from, or personal (or other) cheques cashed from, monies received.

9.1.3 All agreements, invoices, receipts and other documents relating to income receivable by the GPhC shall be in the name of the GPhC.
9.1.4 An official receipt shall be issued for all payments either by cash, cheque or electronic method whenever requested by the payer.

9.1.5 In the case of online receipts of monies, the Director of Resources will ensure compliance with the Payment Card Data Security Standards (PCI DSS), which are a set of guidelines covering all transaction security and data protection to help protect against fraud. Compliance with the PCI DSS is mandatory for processing credit card transactions online. All staff dealing with online receipts must comply with the guidelines, unacceptable use of data or supply to third parties will result in disciplinary action.

9.2 Fees and Charges

9.2.1 The Director of Resources is responsible for annually reviewing the level of all fees and charges and making recommendations to the Council. Independent professional advice on matters of valuation shall be taken as necessary.

9.2.2 The Council will be responsible for approving:

(a) all statutory regulation fees following completion of consultation processes required by the Pharmacy Order 2010;

(b) all other fees and charges recommended by the Director of Resources, in accordance with the Scheme of Delegation.

9.2.3 All employees who have the delegated authority to enter into transactions must inform Finance promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements and other transactions.

9.3 Security of cash, cheques and other negotiable instruments

9.3.1 The Director of Resources is responsible for:

(a) approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;

(b) ordering and securely controlling any such stationery;

(c) the provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin-operated machines;

(d) prescribing systems and procedures for handling cash and negotiable securities on behalf of the GPhC.

9.3.2 Official money shall not under any circumstances be used for the encashment of private cheques or IOUs.

9.3.3 All cheques, postal orders, cash etc. shall be banked intact. Disbursements shall not be made from cash received except under arrangements approved by the Director of Resources.
9.3.4 The holders of safe keys shall not accept unofficial funds for depositing in their safes unless such deposits are in special sealed envelopes or locked containers. It shall be made clear to the depositors that the GPhC is not to be held liable for any loss, and written indemnities must be obtained from the organisation or individuals absolving the GPhC from responsibility for any loss.

9.3.5 The Director of Resources shall provide such advances as he considers appropriate to certain members of staff for the purpose of defraying petty cash and other expenses.

9.3.6 Petty cash payments shall be limited to duly authorised minor items of expenditure only and no single item shall exceed the amount of the individual petty cash float or the limit imposed from time to time by the Director of Resources, whichever is the lower. Claims for items or amounts in excess of these limits will be paid via BACS transfer.

9.3.7 Petty cash shall be kept securely locked at all times. Petty cash may be handled only by staff who have been authorised to do so by the Director of Resources.

10. Tendering and contracting procedure

10.1 Duty to comply with Standing Financial Instructions

10.1.1 The procedure for making all contracts by or on behalf of the GPhC shall comply with these Standing Financial Instructions.

10.2 Formal Competitive Tendering

All procurement activities within the GPhC must comply with both the EU Procurement Directives 2004-18-EC and also the UK Public Contract Regulations 2006.

Dependent on the commodity being procured if expenditure is estimated to be in excess of the EU Procurement Threshold there is a requirement to advertise in the Official Journal of the European Union. The exception to this process is through using a Government approved framework agreement that will have been let using the appropriate route.

10.2.1 General Applicability - The GPhC shall ensure that competitive tenders are invited for:

(a) the supply of goods, materials and information systems;

(b) the rendering of services including all forms of management consultancy services.

10.2.2 Exceptions and instances where formal tendering need not be applied

Formal tendering procedures need not be applied where:

(a) the estimated expenditure or income does not, or is not reasonably expected to, exceed £10,000. For expenditure between £10,000 and £50,000 either an Invitation to Quote or an Invitation to Tender should be conducted as appropriate to the commodity to be procured. This should be agreed with either the Director of Resources or the Procurement Manager.

Formal tendering procedures may be waived in the following circumstances:
(b) in exceptional circumstances where the CE&R decides that formal tendering procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures, and the circumstances are detailed in an appropriate GPhC record;

(c) the requirement is covered by an existing contract and will not change the value or nature of the contract disproportionately or such that a formal tendering process should be followed;

(d) the timescale genuinely precludes competitive tendering but failure to plan the work properly would not be regarded as a justification for a single tender;

(e) specialist expertise is required and is available from only one source;

(f) the task is essential to complete the project, was not foreseeable at the time of initial appointment, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate;

(g) there is a clear benefit to be gained from maintaining continuity with an earlier project. However in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering;

(h) for the provision of legal advice and services providing that any legal firm or partnership commissioned by the GPhC is regulated by Solicitors Regulation Authority of the Law Society for England and Wales, or by the Law Society of Scotland, as applicable, for the conduct of their business (or by the Bar Council for England and Wales or the Faculty of Advocates, Scotland in relation to the obtaining of Counsel’s opinion) and are generally recognised as having sufficient expertise in the area of work for which they are commissioned. This advice and services should also be procured through a competitive process unless urgency or specialised knowledge dictates otherwise.

The Director of Resources will ensure that any fees paid are reasonable and within commonly accepted rates for the costing of such work.

The waiving of competitive tendering procedures should not be used to avoid competition or for administrative convenience or to award further work to a consultant originally appointed through a competitive procedure.

It should be noted that if formal tendering is not conducted as a result of applying any of the exceptions above that this may be in breach of the EU Procurement Directives and if this is the case then any such agreement should only be put in place until a formal tendering exercise can be carried out.

Where it is decided that competitive tendering is not applicable and should be waived, the fact of the waiver and the reasons should be documented and recorded in an appropriate GPhC record.

10.2.3 Fair and Adequate Competition - Where the exceptions set out in SFI no. 10.2.2 do not apply, the GPhC shall ensure that Invitations to Tender are sent to a sufficient
number of firms/individuals to provide fair and adequate competition as appropriate, and in no case less than three firms/individuals, or five firms/individuals where the EU Procurement Threshold is exceeded, having regard to their capacity to supply the goods or materials or to undertake the services or works required. Invitations to Quote shall be sent to a minimum of three firms/individuals.

10.2.4 **List of Approved Firms** – If appropriate the GPhC shall ensure that the firms/individuals invited to tender (and where appropriate, quote) are among those on approved lists. Other firms should be identified through the placing of advertisements for the requirement, the use of Government approved framework agreements, through listings with professional bodies or from recommendation by other regulatory bodies or staff members using prior knowledge/expertise.

10.2.5 **Items which subsequently breach thresholds after original approval**
Items estimated to be below the limits set in the SFIs for which formal tendering procedures must be used, which subsequently prove to have a value above such limits shall be reported to the CE&R, and be recorded in an appropriate GPhC record. If these items value exceed the EU Thresholds then a formal tendering procedure should be conducted as soon as it is possible to mitigate the breach.

10.3 **Contracting/Tendering Procedure**

10.3.1 **Invitation to tender**

(i) All invitations to tender shall state the date and time as being the latest time for the receipt of tenders.

(ii) All invitations to tender shall state that no tender will be accepted unless:

- marked for the attention of either the CE&R or his/her nominated manager;

10.3.2 **Receipt and safe custody of tenders** - The CE&R or his/her nominated representative will be responsible for the receipt, endorsement and safe custody of tenders received until the time appointed for their opening. The date and time of receipt of each tender will be recorded upon receipt at the Reception desk.

10.3.3 **Opening tenders and Register of tenders**

(i) As soon as practicable after the date and time stated as being the latest time for the receipt of tenders, they shall be opened by two representatives designated by the CE&R and not from the originating department. This should include the Procurement Manager where possible.

(ii) The ‘originating’ department will be taken to mean the department sponsoring or commissioning the tender.

(iii) The involvement of Resources Directorate staff in the preparation of a tender proposal will not preclude the Director of Resources or any approved senior manager from the Resources Directorate from serving as one of the two senior managers to open tenders.
(iv) Every tender received shall be marked with the date of opening and initialled by those present at the opening. The tender should be marked both on the front cover and also on any page containing pricing information pertinent to the proposal.

(v) A register shall be maintained by the CE&R, or a person authorised by him/her, to show for each set of competitive tender invitations despatched:
   - the names of all firms or individuals invited;
   - the names of firms or individuals from which tenders have been received;
   - the date the tenders were received and opened;
   - the persons present at the opening;
   - the price shown on each tender;

   Each entry to this register shall be signed by those present.

(vi) Incomplete tenders i.e. those from which information necessary for the adjudication of the tender is missing, and amended tenders i.e. those amended by the tenderer upon his/her own initiative either orally or in writing after the due time for receipt but prior to the opening of other tenders, should be dealt with in the same way as late tenders (SFI 10.3.5 below).

10.3.4 Admissibility

(i) If for any reason the designated employees are of the opinion that the tenders received are not strictly competitive (for example, because their numbers are insufficient or any are amended, incomplete or qualified) no contract shall be awarded without the approval of the CE&R.

(ii) Where only one tender is sought and/or received, the Director of Resources shall, as far practicable, ensure that the price to be paid is fair and reasonable and will ensure value for money for the GPhC.

10.3.5 Late tenders

(i) Tenders received after the due time and date but prior to the opening of the other tenders may be considered only if the CE&R or his/her nominated employee is satisfied that the tender was despatched in good time but delayed through no fault of the tenderer.

(ii) Only in exceptional circumstances will a tender be considered which is received after the opening of the other tenders and only then if the tenders that have been duly opened have not left the custody of the CE&R or his/her nominated employee and if the process of evaluation and adjudication has not started.
(iii) While decisions as to the admissibility of late, incomplete or amended tenders are under consideration, the tender documents shall be kept strictly confidential, recorded, and held in safe custody by the CE&R or his/her nominated employee.

(iv) Accepted late tenders will be reported to the Council.

10.3.6 Acceptance of formal tenders

(i) Any discussions with a tenderer which are deemed necessary to clarify technical aspects of his/her tender before the award of a contract will not disqualify the tender.

(ii) The lowest tender, if payment is to be made by the GPhC, or the highest, if payment is to be received by the GPhC, shall be accepted unless there are good and sufficient reasons to the contrary. Such reasons shall be set out in either the contract file, or other appropriate record.

It is accepted that for certain goods or services, the lowest price does not always represent the best value for money. Other factors affecting the success of a project include:

(a) the quality of the goods or services to be delivered;
(b) experience and qualifications of team members;
(c) understanding of client’s needs and therefore the fitness for purpose of any proposed solution;
(d) feasibility and credibility of proposed methodology;
(e) ability to complete the project on time.

In this circumstance the “most economically advantageous” tender should be selected. In all invitation to tender documents evaluation criteria will be defined to enable the evaluation panel to evaluate the proposals objectively.

Where other factors are taken into account in selecting a tender, these must be clearly recorded and documented in the contract file, and the reason(s) for not accepting the lowest tender clearly stated.

(iii) No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the GPhC and which is not in accordance with these Instructions except with the authorisation of the CE&R.

(iv) The use of these procedures must demonstrate that the award of the contract was:

(a) not in excess of the going market rate or price current at the time the contract was awarded;
(b) in keeping with achieving best value for money.
(v) All tenders should be treated as confidential and should be retained for inspection.

10.3.7 List of approved firms

(a) **Responsibility for maintaining list**
A manager nominated by the CE&R shall, on behalf of the GPhC, maintain lists of approved firms from whom tenders and quotations may be invited. These shall be kept under frequent review. The lists shall include all firms who have applied for permission to tender and as to whose technical and financial competence the GPhC is satisfied. All suppliers must be made aware of the GPhC’s terms and conditions of contract. The GPhC must also consider other capable firms to respond to tenders and quotations to ensure fair competition. The EU Procurement Regulations should also be considered before deciding on the most appropriate tendering procedure.

(i) Firms included on the approved list of tenderers or appointed as a result of the tendering procedure shall be familiar with the GPhC’s aims as outlined in the equality scheme and ensure that when engaging, training, promoting or dismissing employees or in any conditions of employment, shall not discriminate against any person because of any protected characteristic group to which they may belong under the Equality Act 2012 and will comply with the provisions of the Act and any amending and/or related legislation.

(ii) Firms shall conform at least with the requirements of the Health and Safety at Work Act and any amending and/or other related legislation concerned with the health, safety and welfare of workers and other persons, and to any relevant British Standard Code of Practice issued by the British Standards Institution. Firms must provide to the appropriate manager a copy of their safety policy and evidence of the safety of plant and equipment, when requested.

(iii) The Director of Resources may make or institute any enquiries he/she deems appropriate concerning the financial standing and financial suitability of approved contractors.

10.3.8 Exceptions to using approved contractors - If in the opinion of the Director of Resources it is impractical to use a potential contractor from the list of approved firms/individuals (for example where specialist services or skills are required and there are insufficient suitable potential contractors on the list), or where a list for whatever reason has not been prepared, the Director of Resources should ensure that appropriate checks are carried out as to the technical and financial capability of those firms that are invited to tender or quote.

10.4 Quotations: competitive and non-competitive

10.4.1. **General Position on quotations** - Quotations are required where formal tendering procedures are not adopted and where the intended expenditure or income exceeds, or is reasonably expected to exceed £5,000 but not exceed £10,000.
10.4.2 **Competitive Quotations**

(i) Quotations should be obtained from at least 3 firms/individuals based on specifications or terms of reference prepared by, or on behalf of, the GPhC.

(ii) Quotations must be in writing.

(iii) All quotations should be treated as confidential and should be retained for inspection.

(iv) The CE&R or his/her nominated employee should evaluate the quotations and select the quote which gives the best value for money. If this is not the lowest quotation if payment is to be made by the GPhC, or the highest if payment is to be received by the GPhC, then the choice made and the reasons why should be recorded in an appropriate GPhC record.

10.4.3 **Non-Competitive Quotations** - Non-competitive quotations in writing may be obtained in the following circumstances:

(i) the supply of proprietary or other goods of a special character and the rendering of services of a special character for which it is not, in the opinion of the Director of Resources, possible or desirable to obtain competitive quotations;

(ii) the supply of goods or manufactured articles of any kind which are required in the case of an emergency quickly and are not obtainable under existing contracts;

(iii) miscellaneous services, supplies and disposals that are required in the case of an emergency.

In these circumstances the approval of the Director of Resources or his representative should be sought in advance of ordering the goods or service. A record should be kept of the justification of the use of non-competitive quotations.

10.4.4 **Quotations to be within Financial Limits** - No quotation shall be accepted which will commit expenditure in excess of that which has been allocated by the GPhC and which is not in accordance with the SFIs except with the authorisation of either the CE&R or Director of Resources.

10.5 **Authorisation of Tenders and Competitive Quotations** - Providing all the conditions and circumstances set out in these SFIs have been fully complied with, formal authorisation and awarding of a contract may be decided by individual staff in line with their delegated authority level as established by the CE&R from time to time.

10.6 **Instances where formal competitive tendering or competitive quotation is not required** - Where competitive tendering or a competitive quotation is not required the GPhC shall procure goods and services in accordance with procurement procedures approved by the Director of Resources.

10.7 **Compliance requirements for all contracts** - The GPhC may only enter into contracts within its statutory powers and shall comply with:

(a) The GPhC's Standing Financial Instructions;
(b) EU Directives and other statutory provisions.

Where appropriate, contracts shall be in or embody the same terms and conditions of contract as was the basis on which tenders or quotations were invited.

In all contracts made by the GPhC, the GPhC shall endeavour to obtain best value for money by use of all systems in place. The CE&R shall nominate an employee who shall oversee and manage contracts on behalf of the GPhC.

10.8 Personnel and Agency or Temporary Staff Contracts - The CE&R shall nominate employees with delegated authority to enter into contracts of employment regarding staff, agency staff or temporary staff service contracts.

10.9 Disposals (See overlap with SFI no. 15) - Competitive tendering or quotation procedures shall not apply to the disposal of:

(a) any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the CE&R or his nominee;

(b) obsolete or redundant articles, which may be disposed of in accordance with the supplies policy of the GPhC;

(c) items to be disposed of with an estimated sale value of less than £1,000, this figure to be reviewed on a periodic basis.

10.10 Outsourced Services

10.10.1 The CE&R shall be responsible for ensuring that best value for money can be demonstrated for all services provided on an outsourced basis. The CE&R may also determine from time to time that outsourced services should be market-tested by competitive tendering.

10.10.2 In all cases where the CE&R determines that outsourced services should be subject to competitive tendering the following group shall be set up:

(a) Outsourced tender group, comprising a nominee of the CE&R, Director of Resources or representative and technical support.

10.10.3 The Outsourced tender group shall make recommendations to the CE&R.

10.10.4 The CE&R shall nominate a member of staff to oversee and manage the contract on behalf of the GPhC.

11. Terms of service, allowances, and payment of employees and members of the GPhC Council

11.1 Remuneration and Terms of Service
11.1.1 The Council shall establish a Remuneration Committee, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting.

11.1.2 The GPhC will pay allowances and expenses to the Chair and members of the Council in accordance with those established at the time of their appointment by the Appointments Commission, as amended by the Council following subsequent recommendations of the Remuneration Committee.

11.1.3 The Director of Resources will be responsible for establishing procedures for the management of expense claims submitted by Council members, committee members, panellists, advisers or other appointees and employees.

11.1.4 All rates and regulations regarding expense claims by non-Council members shall be reviewed on a regular basis, at least annually by the Director of Resources and approved by the CE&R., in accordance with the Scheme of Delegation.

11.2 Funded Establishment

11.2.1 The manpower plans incorporated within the annual budget will form the funded establishment.

11.2.2 The funded establishment of any department may not be varied without the approval of the CE&R.

11.3 Staff Appointments

11.3.1 No member of staff may engage, re-engage, or re-grade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration:

(a) unless authorised to do so by the CE&R; and

(b) within the limit of their approved budget and funded establishment.

11.4 Processing Payroll

11.4.1 The Head of Finance is responsible for:

(a) specifying timetables for submission of properly authorised time records and other notifications;

(b) the final determination of pay and allowances payable on each occasion;

(c) making payment on agreed dates;

(d) agreeing method of payment.

11.4.2 The Head of Finance will issue instructions regarding:

(a) verification and documentation of data;

(b) the timetable for receipt and preparation of payroll data and the payment of employees and allowances;
(c) maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;

(d) security and confidentiality of payroll information;

(e) checks to be applied to completed payroll before and after payment;

(f) authority to release payroll data under the provisions of the Data Protection Act;

(g) methods of payment available to various categories of employee and others;

(h) procedures for payment by cheque, bank credit, or cash to employees and others;

(i) procedures for the recall of cheques and bank credits;

(j) pay advances and their recovery;

(k) maintenance of regular and independent reconciliation of pay control accounts;

(l) separation of duties of preparing records and handling cash;

(m) a system to ensure the recovery from those leaving the employment of the GPhC of sums of money and property due by them to the GPhC.

11.4.3 Appropriately nominated employees within the finance department have delegated responsibility for:

(a) submitting payroll notifications in accordance with agreed timetables;

(b) completing payroll records and other notifications in accordance with the Head of Finance’s instructions and in the form prescribed by the Head of Finance;

(c) submitting termination notifications in the prescribed form immediately upon knowing the effective date of an employee's or other appointee's resignation, termination or retirement. Where an employee fails to report for duty in circumstances that suggest they have left without notice, the Director of Resources must be informed immediately.

11.4.4 Regardless of the arrangements for providing the payroll service, the Director of Resources shall ensure that the chosen method is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures. The Head of Finance will make suitable arrangements for the collection of statutory payroll deductions and payment of these to appropriate bodies.

11.5 Contracts of Employment

11.5.1 The CE&R has responsibility for:

(a) ensuring that all employees are issued with a Contract of Employment in an appropriate form which complies with employment legislation; and

(b) dealing with variations to, or termination of, contracts of employment.
12 Non-Pay Expenditure

12.1 Delegation of Authority

12.1.1 The Council will approve the level of non-pay expenditure on an annual basis and the CE&R will determine the level of delegation to budget managers.

12.1.2 The CE&R will set out:

(a) the list of managers who are authorised to place requisitions for the supply of goods and services;

(b) the maximum level of each requisition and the system for authorisation above that level.

12.1.3 The CE&R shall set out procedures on the seeking of professional advice regarding the supply of goods and services.

12.2 Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services

12.2.1 Requisitioning - The requisitioner, in choosing the item to be supplied or the service to be performed, shall always obtain the best value for money for the GPhC. In so doing, the advice of the GPhC’s adviser on supply shall be sought. Where this advice is not acceptable to the requisitioner, the Director of Resources (and/or the CE&R) shall be consulted.

12.2.2 System of Payment and Payment Verification - The Head of Finance shall be responsible for the prompt payment of accounts and claims. Payment of contract invoices shall be in accordance with agreed contract terms.

12.2.3 The Director of Resources will:

(a) advise the Council regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in the SFIs and regularly reviewed;

(b) prepare procedural instructions or guidance on the obtaining of goods, works and services incorporating the thresholds;

(c) be responsible for the prompt payment of all properly authorised accounts and claims;

(d) be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for:

(i) A list of employees (including specimens of their signatures) authorised to certify invoices either manually or electronically.

(ii) Certification that:
• goods have been duly received, examined and are in accordance with specification and the prices are correct;

• work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;

• in the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined;

• where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;

• the account is arithmetically correct;

• the account is in order for payment.

(iii) A timetable and system for submission to the Head of Finance of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.

(iv) Instructions to employees regarding the handling and payment of accounts within the Finance Department.

(e) be responsible for ensuring that payment for goods and services is only made once the goods and services are received. The only exceptions are set out in SFI no. 12.2.4 below.

12.2.4 Prepayments - Prepayments are permitted subject to the following conditions:

(a) Where the financial advantages outweigh the disadvantages;

(b) The appropriate budget holder must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the GPhC if the supplier is at some time during the course of the prepayment agreement unable to meet his commitments;

(c) The Director of Resources will need to be satisfied with the proposed arrangements before contractual arrangements proceed;

(d) The budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the Director of Resources or CE&R if problems are encountered.

12.2.5 Credit Finance arrangements including leases

(a) No person other than the CE&R or the Director of Resources can approve any contract or transaction which binds the GPhC to credit finance commitments on an on-going basis. One off, low value transactions (up to £10K) can be approved by those with the delegated authority to do so.
(b) Prior to the signing of any agreement, cost comparisons should be carried out for buy, hire or lease options to demonstrate that value for money is being achieved.

12.2.6 **Duties of budget holders** - Budget holders must ensure that they comply fully with the guidance and limits specified by the Director of Resources and that:

(a) all contracts, leases, tenancy agreements and other commitments which may result in a liability are notified to the finance department in advance of any commitment being made;

(b) no order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to directors or employees, other than:

(i) isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars;

(ii) conventional hospitality, such as lunches in the course of working visits;

(c) no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Director of Resources or the CE&R;

(d) all goods, services, or works are ordered on an official order except works and services executed in accordance with a contract;

(e) verbal orders must only be issued exceptionally - by an employee designated by the CE&R and only in cases of emergency or urgent necessity;

(f) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;

(g) goods are not taken on trial or loan in circumstances that could commit the GPhC to a future uncompetitive purchase;

(h) changes to the list of employees authorised to certify invoices are notified to the Head of Finance who will update the delegated authority;

(i) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Director of Resources;

(j) petty cash records are maintained in a form as determined by the Director of Resources.

13. **Financial Delegations**

Financial delegations to employees of the GPhC should be set out by the CE&R. Financial delegations should be reviewed annually by the CE&R and any proposed changes approved by the

14. **Capital investment, fixed asset registers and security of assets**

14.1 **Capital Investment**

14.1.1 The CE&R:
(a) shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon plans;

(b) is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;

(c) shall ensure that the capital investment is not undertaken without confirmation of availability of resources to finance all revenue consequences.

14.1.2 For every capital expenditure proposal, the CE&R shall ensure:

(a) that a business case is produced setting out:

   (i) an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs;

   (ii) appropriate project management and control arrangements;

(b) that the Director of Resources has reviewed and approved the business case and involved appropriate GPhC personnel and external agencies in the process.

14.1.3 For capital schemes where the contracts stipulate staged payments, the Director of Resources will issue procedures for their management. The Head of Finance shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

14.1.4 The approval of a capital programme shall not constitute approval for expenditure on any scheme. The CE&R shall issue to the manager responsible for any scheme:

(a) specific authority to commit expenditure;

(b) authority to proceed to tender (see overlap with SFI no. 10 et seq);

(c) approval to accept a successful tender (see overlap with SFI no. 10 et seq).

14.1.5 The Director of Resources shall issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes.

14.2 Asset Registers - Fixed assets are those individual tangible assets that will be in existence for more than 1 year and have a value greater than or equal to £1000. PC's and laptops costing less than £1000 will be added to the fixed asset register to ensure that they can be tracked and depreciated over 1 year from the date of purchase.

14.2.1 The Head of Finance is responsible for the maintenance of a register of fixed assets, furniture & fittings and equipment, updating, and arranging for a physical check of assets against the asset register to be conducted once a year.

14.2.2 Additions to the register must be clearly identified to an appropriate budget holder and be validated by reference to proof of acquisition (e.g. invoices, leases, deed).
14.2.3 Where assets and equipment are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).

14.2.4 The Head of Finance shall approve procedures for reconciling balances on fixed assets accounts in ledger to the fixed asset balances recorded in the register.

14.2.5 Where required the value of each asset shall be revalued, indexed and depreciated in accordance with methods specified by the Director of Resources taking into account accounting standards and practice.

14.3 Security of property and assets including equipment

14.3.1 The Director of Resources will keep a record of all rights to titles to real property and rights to occupy premises and ensure safe custody of title deeds and associated documents.

14.3.2 The Director of Resources is responsible for ensuring that all GPhC property is adequately maintained and that, at all times, the GPhC complies with the terms of its property leases, as well as the regulations relating to Health & Safety.

14.3.3 The Director of Resources is responsible for the preparation of a maintenance plan and of annual estimates of the costs of repair and maintenance of GPhC property, including leased office premises.

14.3.4 All staff of the GPhC have an individual and collective responsibility to safeguard the financial resources of the GPhC. These resources may take the obvious tangible form of fixed assets or cash, as well as less tangible items such as lost opportunities to earn or recover income that is due. Further to this requirement, each member of staff has an individual and collective responsibility for the security of property.

14.3.5 The overall control of fixed assets is the responsibility of the CE&R.

14.3.6 Asset control procedures (including fixed assets, cash, cheques and negotiable instruments and also including donated assets) must be approved by the Director of Resources. This procedure shall make provision for:

(a) recording managerial responsibility for each asset;
(b) identification of additions and disposals;
(c) identification of all repairs and maintenance expenses;
(d) physical security of assets;
(e) periodic verification of the existence of, condition of, and title to, assets recorded;
(f) identification and reporting of all costs associated with the retention of an asset;
(g) reporting, recording and safekeeping of cash, cheques, and negotiable instruments.

14.3.7 All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Director of Resources.
14.3.8 Whilst each employee has a responsibility for the security of property of the GPhC, it is the responsibility of Council members and senior employees in all disciplines to apply such appropriate routine security practices in relation to GPhC property as may be determined by the CE&R. Any breach of agreed security practices must be reported in accordance with agreed procedures.

14.3.9 Any damage to the GPhC’s premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by Council members, employees and other appointees in accordance with the procedure for reporting losses.

14.3.10 Where practical, assets should be marked as GPhC property.

15. Disposals and condemnations, losses and special payments

15.1 Disposals and Condemnations

15.1.1 The Director of Resources must prepare detailed procedures for the disposal of assets including condemnations, and ensure that these are notified to managers.

15.1.2 When it is decided to dispose of GPhC assets or equipment, the Head of Department or authorised deputy will determine and advise the Director of Resources of the estimated market value of the item, taking account of professional advice where appropriate. The disposal of obsolete or surplus stock, equipment or furniture with a net book value of less than £2,000 (collective value of items) shall occur only with the prior approval of the Head of Finance. Items with a net book value in excess of £2,000 shall only be disposed of with the prior approval of the Director of Resources. The disposal of items with a net book value in excess of £50,000 shall require the prior approval of the CE&R.

15.1.3 All unserviceable articles shall be:

(a) condemned or otherwise disposed of by an employee (Condemning Officer) authorised for that purpose by the Director of Resources;

(b) recorded by the Condemning Officer in a form approved by the Director of Resources which will indicate whether the articles are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second employee (approving officer) authorised for the purpose by the Director of Resources.

15.1.4 The approving officer shall determine as to whether or not there is evidence of negligence in use and shall report any such evidence to the Director of Resources who will take the appropriate action.

15.2 Losses

15.2.1 Procedures - The Director of Resources must prepare procedural instructions on the recording of and accounting for condemnations and losses.

15.2.2 Any employee discovering or suspecting a loss of any kind must either immediately inform their Head of Department, who must immediately inform the CE&R and the Director of Resources or inform an employee charged with responsibility for responding to concerns involving loss. This employee will then appropriately inform
the Director of Resources and/or CE&R. Where a criminal offence is suspected, the Director of Resources must immediately inform the police.

15.2.3 Suspected fraud - The Director of Resources must notify the external auditor of all frauds.

15.2.4 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Director of Resources must immediately notify:

(a) the Audit & Risk Committee;

(b) the external auditor.

15.2.5 The Director of Resources shall take any necessary steps to safeguard the GPhC's interests in bankruptcies and company liquidations.

15.2.6 For any loss, the Director of Resources should consider whether any insurance claim can be made.

15.2.7 The Director of Resources shall maintain a Losses Register in which write-off action is recorded.

15.2.8 All non-trivial losses must be reported to the Audit & Risk Committee at its next meeting.

16. Information Technology

16.1 Responsibilities and duties of the Director of Resources

16.1.1 The Director of Resources, who is responsible for the accuracy and security of the computerised financial data of the GPhC, shall:

(a) devise and implement any necessary procedures to ensure adequate (reasonable) protection of the GPhC's data, programs and computer hardware for which the Director is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 1998;

(b) ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;

(c) ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;

(d) ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as the Director may consider necessary are being carried out.

16.1.2 The Director of Resources shall need to ensure that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to
implementation.

16.1.3 The Head of Governance shall publish and maintain a Freedom of Information Publication Scheme. A Publication Scheme is a complete guide to the information routinely published by a public authority. It describes the classes or types of information about the GPhC that should be publicly available.

16.2 Contracts for computer services outside agencies

The Director of Resources shall ensure that contracts for computer services for financial applications with an agency shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing, transmission, storage and disaster recovery. The contract should also ensure rights of access for audit purposes. Where an agency provides a computer service for financial applications, the Director of Resources shall periodically seek assurances that adequate controls are in operation.

16.3 Requirements for computer systems which have an impact on corporate financial systems

Where computer systems have an impact on corporate financial systems the Director of Resources shall need to be satisfied that:

(a) systems acquisition, development and maintenance are in line with corporate policies;

(b) data produced for use with financial systems is adequate, accurate, complete and timely, and that a management (audit) trail exists;

(c) the Director of Resources’ staff have access to such data;

(d) such computer audit reviews as are considered necessary are being carried out.

17. Acceptance of gifts by staff and link to standards of business conduct

17.1 The Director of Resources shall ensure that all staff are made aware of the GPhC policy on acceptance of gifts and other benefits in kind by staff.

17.2 Council members and staff shall immediately disclose to the Director of Resources or his nominee

- any family or close relationship they have with any other member of GPhC’s staff, any Council member, committee member, panellist or any provider of goods or services to the GPhC;

- any financial or other interest of benefit to that person from a transaction or financial arrangement of the GPhC, including any interest in a business trading with the GPhC.

17.3 No member of staff may establish a company or commercial enterprise of any kind intended to exploit any activity carried on by the GPhC or on the GPhC’s premises or to exploit any rights belonging to the GPhC.
17.4 A register of interests is to be maintained by the CE&R for Council members and employees.

18. Maintenance of, and access to, records

18.1 The Director of Resources shall be responsible for the maintenance of the accounting and payroll records and the provision of any relevant information to authorities, including HMRC, that are entitled to receive it.

18.2 No unauthorised person is allowed access to the financial or payroll records, including records held in the computer system.

18.3 The GPhC will ensure that it meets all legal requirements relating to the retention of prime documents and minor accounting records. These legal requirements should be clearly set out in writing and communicated to all employees. Examples of prime documentation are:

- Purchase invoices
- Sales invoices and copies of receipts
- Tax and VAT records
- Bank statements
- Salaries and wage records
- Pension records.

18.4 The timing of destruction and or disposal of documents and records will be in accordance with the legal requirements for retention of documents and the GPhC’s information retention policy. No employee may dispose of or destroy a financial record of the GPhC without the prior authorisation of the Director of Resources. Records shall be maintained of documents disposed of or destroyed.

18.5 The Director of Resources shall:

- have access to all records, documents, correspondence and explanations relating to any financial transactions of the Council; and

- require to be produced, cash, stores or any other GPhC property controlled by any Council or committee member, panellist, member of staff or other appointee.

19. Risk management and insurance

19.1 Programme of Risk Management

The CE&R shall ensure that the GPhC has a programme of risk management, in accordance with best practice, which must be approved by the Council and monitored by the Audit & Risk Committee.

The programme of risk management shall include:

(a) a process for identifying and quantifying risks and potential liabilities;

(b) engendering among all levels of staff a positive attitude towards the control of risk;
(c) management processes to ensure all significant risks and potential liabilities are addressed including effective systems of internal control, cost effective insurance cover, and decisions on the acceptable level of retained risk;

(d) contingency plans to offset the impact of adverse events;

(e) audit arrangements including; internal audit, health and safety review;

(f) a clear indication of which risks shall be insured;

(g) arrangements to review the risk management programme.

The existence, integration and evaluation of the above elements will assist in providing a basis to make a statement on the effectiveness of internal control within the annual reports and accounts.

19.2 Insurance

19.2.1 The Director of Resources shall arrange all insurance cover and negotiate all claims in consultation with other staff where necessary. The Director of Resources shall ensure that the Certificate of Insurance and other necessary insurance records are maintained and securely stored.

19.2.2 Budget managers shall be responsible for minimising any insurable risks within their areas, and give prompt notification to the Director of Resources of any new risks which require to be insured and of any alterations affecting existing insurance.

19.2.3 Budget managers shall notify the Director of Resources in writing as soon as possible, of any loss, liability or damage, or of any event likely to lead to a claim.

19.2.4 The Director of Resources shall annually, or after such shorter period as may be considered necessary, carry out a risk assessment and review all insurance, in consultation with budget managers as appropriate. Independent advisers should also be consulted as necessary.

20. Application of Standing Financial Instructions

20.1 The CE&R will be responsible for the application of the SFIs.

21. Measurement and Evaluation

21.1 The SFIs will be evaluated through the performance monitoring and evaluation framework for the organisation and, in particular, through review of the organisation’s financial performance.

Bernard Kelly, Director of Resources & Corporate Development
Reference: GG/2010/05
Effective date: 14 April 2010
Review date: 29 October 2012
Public business

**Statutory committee performance management**

**Purpose**
To inform the Council of the outcome of the external review of arrangements for the performance management of the GPhC’s statutory committee personnel

**Action required:**
The Council is asked to note this paper.

1.0 **Background**

1.1 In March the GPhC commissioned Rosemary Rollason, a senior lawyer and partner at Slater & Gordon, to review the fitness for purpose of the GPhC performance management procedures for its statutory committee members. She was asked to consider:
   a) our current methodology for gaining information on performance
   b) how we handle performance issues as they arise
   c) how we conduct the yearly appraisal
   d) our suspension/removal procedure
   e) who should be doing what in the various processes

1.2 Ms Rollason’s report has now been finalised. It is thorough, useful and reassuring. In summary, her conclusion is that “As far as it has been possible to assess, the scheme is appropriate and is working effectively... the Review has not identified significant risk areas for the GPhC, nor has it found major deficiencies in the current arrangements. Some specific recommendations for improvement have been made and these could be achieved relatively simply”.

1.3 Several of her recommendations for action are already in place; we agree with the remainder and will implement them. They include suggestions that we:
   - Flesh out our procedures for suspension and removal of statutory committee members
• Provide initial and refresher training for all appraisers
• Update the format and content of the appraisal forms, in particular to address themes and skills and prevent repetition
• Strengthen the objective setting and review process
• Review hearings feedback forms and strengthen collection procedures

2.0 Equality and diversity implications

2.1 A consistent, properly documented and audited performance management process is an essential component of our assurance that we treat our panellists fairly, appropriately transparently and equitably, and that we do not discriminate unlawfully against any group or groups in society.

3.0 Communications implications

3.1 The report’s recommendations will be communicated to statutory committees and to the Appointments Committee. In particular, we will draw panellists’ attention to the reassurance in the report that our mechanisms strike an appropriate balance between the need to provide assurance to the Council and the public while maintaining the necessary independence of the committees.

4.0 Resource implications

4.1 The cost of the review was provided for in this year’s budget. The report’s recommendations have no financial implications.

5.0 Risk implications

5.1 Statutory committee decision-making is fundamental to the protection of the public and the success of the organisation. Without a robust, efficient and effective performance management process the GPhC would not be able to assure itself of the quality of its statutory committee personnel nor, by extension, of the quality of the decisions they make.

Action required:
The Council is asked to note this paper.

Vivienne Murch
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General Pharmaceutical Council
vivienne.murch@pharmacyregulation.org, tel 020 3365 3518

28 May 2013
Public business

A Review of the Remuneration of Associate Workers

Purpose
This paper contains recommendations for Council arising from the Remuneration Committee’s recent review of associate workers’ remuneration rates.

Action required:

The Council is asked to consider the following recommendations from the Remuneration Committee:

i. The fee for members of our statutory committees, Appointments Committee, Board of Assessors and accreditation teams should be increased by £77 from £223 to £300 a day;

ii. The fee for Fitness to Practise Committee and Registration Appeals Committee deputy chairs should be increased by £18 from £468 to £486;

iii. The fee for Fitness to Practise Committee and Registration Appeals Committee chairs should be increased by £6 from £583 to £589.

1.0 Background

1.1 The Remuneration Committee’s remit includes advising the Council on the remuneration policy for those GPhC associate groups that are established under legislation (statutory committee members, legal and clinical advisers to statutory committees, the Board of Assessors and accreditors/visitors).

1.2 A number of other groups of associates perform roles remotely from the GPhC e.g. CPD reviewers, pharmacy technician application evaluators etc. The Committee’s remit does not extend to advising Council on these groups; their remuneration is determined by the Chief Executive & Registrar under the
Council’s Scheme of Delegation. Any changes to the remuneration of the groups covered in this paper would have no impact on the remuneration of other groups and no link should be assumed.

1.3 The Remuneration Committee last reviewed the remuneration of the groups within its remit in September 2012, when it recommended that no increases be made. Council accepted these recommendations in November 2012.

2.0 Past and future recruitment, and the need to refresh statutory committees

2.1 In 2012 we successfully recruited Clinical Advisers, Medical Assessors and Appointments Committee members. This, plus the success of our other associate recruitment exercises in 2010 and 2011, suggests that we have no problem attracting individuals to fulfil our associate roles at the current fee rates.

2.2 Current terms for statutory committee members run until September 2014; all members are technically eligible for another four year term. However, the Appointments Committee is likely to take the opportunity to refresh the current committee population (the majority of whom were carried over from RPSGB) and so we expect to run a major recruitment exercise in 2014.

3.0 Options and recommendations

3.1 The Remuneration Committee considered various options before making their recommendations to Council, which included: making no change; increasing fees in line with RPI increases year on year since they were set; and increasing fees to bring them into line with those paid to various comparator groups.

3.2 The Committee’s considerations were informed by: historical rationales behind current fee rates, the benchmarking data from other regulators and similar bodies and feedback received from statutory committee personnel.

3.3 Members of our statutory committees, Appointments Committee, Board of Assessors and accreditation teams

3.3.1 The Committee has decided to recommend an increase of £77 per day, from £223 to £300, for the members of the statutory committees, Appointments Committee, Board of Assessors and accreditation teams. It acknowledges that the increase suggested is large (the resource implications were considered, and are summarised at 6. below) and appreciates that such a move, if not properly communicated, could be viewed negatively by registrants and the wider public, particularly at a time of economic difficulty. However, in opting for this recommendation it took into account the following:
• the rate of £223, which was inherited from the RPS, was out of step at the time it was implemented and has not increased since 2009. It is significantly lower than that paid by most of the other regulators (see Appendix 1). Moving to a rate of £300 would mean that these fees would be roughly in line with those paid by other regulators and also, pro rata, with GPhC Council member remuneration;

• some panellists have told us that the implication of being paid significantly lower than their equivalents elsewhere makes them feel demoralised and undervalued;

• We are keen to encourage panel members to speak up and assert their opinions; the current significant fee discrepancy (compared to both what we pay our chairs and what other regulators pay their members) sends an unhelpful message in this regard.

• Current members who work for more than one regulator (as many do) may, when offered hearing days by both, opt for the higher payer

• the increase may attract a more diverse range of candidates in the 2014 recruitment round.

The Committee is therefore of the view that a one-off recalibration exercise to increase the rate to a similar level to those offered by comparator regulators is necessary to outweigh the risks of no change.

3.4 Chairs, deputy chairs, team leader, clinical & legal adviser fees

3.4.1 The Committee considered the fees of all the above groups, and recommended increases for the chairs and deputy chairs of FtPC and RAC, as set out in the Recommendations. These fees had originally been set in alignment with judicial benchmarks and the proposed fee rises have taken increases over time to these comparator fees into account.

3.5 Investigating Committee chairs and deputy chairs

3.5.1 The daily attendance fees for Investigating Committee chairs and deputy chairs are different to those for chairs and deputy chairs of the FtPC and RAC. Due to an office oversight, Remuneration Committee did not look at IC chair/deputy fees separately from those for the other committees. The Committee will therefore consider IC chair and deputy chair fees at its meeting later this month, and make recommendations to Council to consider in September. Should the Council decide to make any changes to the current fee, these will be backdated.
if necessary, so that they take effect at the same time as any changes that are agreed at this (June) meeting for the other groups.

3.6 Future review

3.6.1 Fees paid to other, similar groups (such as first tier tribunal judges), have been used as a basis for our fee-setting in the past. The Committee has been content to use such comparators in this instance, as helpful in achieving a standardised and justifiable basis from which to proceed. However, it does not propose that these comparators should be taken for granted in future, and expects to reconsider their appropriateness at the time of the next review.

3.6.2 The Committee intends that future remuneration reviews should take account of a range of factors including the economic climate, fees paid by other regulators, RPI, the fees payable by registrants and registered pharmacies, performance of the organisation as a whole, including any relevant patient/public feedback of overall performance, and the Council’s continuing ability to attract the right calibre of associate worker to perform key regulatory functions.

4.0 Equality and diversity implications

4.1 The Committee is of the view that increasing the fee may help attract a more diverse group of candidates in future recruitment rounds; it is conceivable that the relatively low nature of the current fee may serve to skew the pool of candidates disproportionately in favour of those for whom income would not be a primary consideration.

5.0 Communications implications

5.1 The Committee appreciated that the proposed £77 increase for members in particular could be viewed negatively, particularly in the current economic climate, and could imply that the Council was ‘protecting its own’ at registrants’ expense. It was suggested that the increase might be more palatable if implemented over a number of years. However, it was felt that it would be fairer to associates, and also more transparent, to move to a fair, justifiable and understandable fee position now, rather than phase it in over a period of years.

5.2 In communicating the increases, if agreed, it will be very important to explain that this is a one-off realignment of an historical, inherited payment structure, to bring us into line with other regulators, ensure competitiveness in future recruitment and overall to help ensure that the GPhC maintains a good quality associate workforce so that its statutory duties may be carried out appropriately, for the benefit of the public and registrants.
6.0 Resource implications

6.1 If all the proposed increases were to be agreed, the increase in cost to the Council would be in the order of £85.5K p.a. However, it should be noted that the GPhC very recently achieved savings in the order of £100,000 per year through a clarification with HMRC regarding the employment status of its associates, and it is suggested that the increased costs would be offset by these savings, resulting in no overall increase in expense to registrants.

6.2 The GPhC has a clear duty to deliver value for money to its registrants, but it also has a duty to ensure that its core work is carried out effectively and well, for the benefit of the public and registrants alike.

7.0 Risk implications

7.1 Making no change to fees would run the risk of:

- Continuing and exacerbating the feelings of demoralisation reported by some current committee members;
- Current members who work for more than one regulator, when offered hearing days by both, opting for the higher payer;
- Failing to attract high-calibre applicants in future recruitment rounds (in particular, the significant committee recruitment round expected in 2014).

7.2 Given the importance Council attaches to the quality of its statutory committee decision making in particular, these considerations would seem particularly relevant when looking at overall corporate risk and, crucially, risk to the public.

Action required:
The Council is asked to consider the following recommendations from the Remuneration Committee:

iv. The fee for members of our statutory committees, Appointments Committee, Board of Assessors and accreditation teams should be increased by £77 from £223 to £300 a day;

v. The fee for Fitness to Practise Committee and Registration Appeals Committee deputy chairs should be increased by £18 from £468 to £486;

vi. The fee for Fitness to Practise Committee and Registration Appeals Committee chairs should be increased by £6 from £583 to £589.

Vivienne Murch
Head of Organisational Development & People Strategy, GPhC
vivienne.murch@pharmacyregulation.org, tel 020 3365 3518
22 May 2013
### Appendix 1

**A) GPhC associates chair, deputy chair and team leader fees**

<table>
<thead>
<tr>
<th>Associate group</th>
<th>Role</th>
<th>Daily fee</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Statutory committee</strong></td>
<td>Legally qualified chair of FtPC or RAC</td>
<td>£583</td>
</tr>
<tr>
<td></td>
<td>Non-legally qualified chair of FtPC or RAC</td>
<td>£468</td>
</tr>
<tr>
<td></td>
<td>Legally qualified deputy chair of FtPC and RAC</td>
<td>£468</td>
</tr>
<tr>
<td></td>
<td>Non-legally qualified deputy chair of FtPC and RAC</td>
<td>£330</td>
</tr>
<tr>
<td></td>
<td>Chair and deputy chair of IC</td>
<td>£330</td>
</tr>
<tr>
<td></td>
<td>Members</td>
<td>£223</td>
</tr>
<tr>
<td></td>
<td>Legal advisers</td>
<td>£583 + VAT</td>
</tr>
<tr>
<td></td>
<td>Clinical advisers</td>
<td>£750 + VAT</td>
</tr>
<tr>
<td><strong>Board of Assessors</strong></td>
<td>Chair</td>
<td>£330</td>
</tr>
<tr>
<td></td>
<td>Deputy Chair</td>
<td>£330</td>
</tr>
<tr>
<td></td>
<td>Member</td>
<td>£223</td>
</tr>
<tr>
<td><strong>Accreditation team</strong></td>
<td>Team Leader</td>
<td>£352</td>
</tr>
<tr>
<td></td>
<td>Member</td>
<td>£223</td>
</tr>
<tr>
<td><strong>Appointments Committee</strong></td>
<td>Chair</td>
<td>£1100</td>
</tr>
<tr>
<td></td>
<td>Member</td>
<td>£223</td>
</tr>
</tbody>
</table>

### B) Benchmarking

<table>
<thead>
<tr>
<th>Regulator</th>
<th>Chair</th>
<th>Member</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Chiropractic Council</td>
<td>£300</td>
<td>£300</td>
</tr>
<tr>
<td>General Dental Council</td>
<td>£353</td>
<td>£353</td>
</tr>
<tr>
<td>MPTS/General Medical Council</td>
<td>£340</td>
<td>£310</td>
</tr>
<tr>
<td>General Optical Council</td>
<td>£270</td>
<td>£270</td>
</tr>
<tr>
<td>General Osteopathic Council</td>
<td>£306</td>
<td>£306</td>
</tr>
<tr>
<td>Health and Care Professions Council</td>
<td>£310</td>
<td>£180</td>
</tr>
<tr>
<td>Nursing &amp; Midwifery Council</td>
<td>£340</td>
<td>£310</td>
</tr>
</tbody>
</table>
Performance Monitoring

Purpose
To report to the Council on operational and financial performance.

Recommendations
The Council is asked to comment on and note:

i. the performance report at Appendix 1.

1.0 Introduction

1.1 This paper reports on operational and financial performance to the end of April 2013 at Appendix 1.

2.0 Equality & diversity implications

2.1 The purpose of this report is to report on operational and financial performance. There are no direct equality and diversity implications.

3.0 Communications implications

3.1 The development and publication of this report is reflective of our commitment to openness and transparency concerning our performance. We have undertaken, and will continue to develop, specific communications on each of the areas of reported performance. This includes information on our website, wider communications through the media and direct through our own
publications and communications materials. These activities are designed to reach all our key interest groups including patients and their representatives, pharmacy professionals and their employees, education providers and others.

4.0 Resource implications

4.1 Resource implications are addressed within the report.

5.0 Risk implications

5.1 Failure to maintain an accurate register, and/or carry out our other regulatory functions efficiently and effectively could have implications on patient safety, and have a significant impact on the reputation of the GPhC.

5.2 Failure to accurately forecast / budget for revenues and expenditure could lead to inappropriate or inconsistent fee policies which could have an adverse impact on the GPhC’s reputation.

Recommendations

The Council is asked to comment on and note:

i. the performance report at Appendix 1.

Duncan Rudkin, Chief Executive & Registrar
duncan.rudkin@pharmacyregulation.org,
tel 020 3365 3501

21 May 2013
Appendix 1

Performance Monitoring Report
Reporting period: end of April 2013
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1. Registration

This section provides an overview of key registration activity undertaken by the Customer Services Team.

1.1 The Register

<table>
<thead>
<tr>
<th></th>
<th>Mar-13</th>
<th>Additions</th>
<th>Removals</th>
<th>Other*</th>
<th>Apr-13</th>
<th>Budgeted numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pharmacists</td>
<td>47,407</td>
<td>55</td>
<td>29</td>
<td>10</td>
<td>0</td>
<td>-17</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>47,406</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>47,388</td>
</tr>
<tr>
<td>Pharmacy Technicians</td>
<td>21,824</td>
<td>60</td>
<td>31</td>
<td>22</td>
<td>1</td>
<td>-1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>21,831</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>21,676</td>
</tr>
<tr>
<td>Premises</td>
<td>14,186</td>
<td>44</td>
<td>28</td>
<td>0</td>
<td>-1</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14,201</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14,116</td>
</tr>
<tr>
<td>Pre registration trainees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,052</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,100</td>
</tr>
</tbody>
</table>

* Restoration and other register classification changes

1.1.1 The pre-registration actual includes the current cohort of 97 Bradford sandwich students who are undertaking their first 6 months placement between January and July 2013.

1.2 Applications processing

1.2.1 On a rolling 6 months basis from November 2012 to end of April 2013 applications for registration were tracked to establish the processing turnover rate.

- Applications were tracked two ways
  - Application receipt to approval
  - Application receipt to registration

<table>
<thead>
<tr>
<th>Pharmacy Technician</th>
<th>New Applications 01/11/2012 – 30/4/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Minimum</td>
</tr>
<tr>
<td></td>
<td>Mean$^1$</td>
</tr>
<tr>
<td></td>
<td>Median$^2$</td>
</tr>
<tr>
<td></td>
<td>Maximum</td>
</tr>
</tbody>
</table>

$^1$ The mean figure is the average which includes significant outliers.

$^2$ The median figure indicates the 50th percentile. In other words, 50% of the data falls between the minimum and median figure.
1.2.2 The outliers tend to be those applicants with FTP matters that need further investigation and consideration at the point of registration, applications where the payment fails and where there is more information or clarification required to validate the application.

1.2.3 Also applications from those previously on the register where a portfolio of evidence is now required to be independently assessed by external evaluators.

1.2.4 We have two entry points onto the register, the first and the fifteenth of the month.

1.3 **Pre-Registration & Registration Assessment**

<table>
<thead>
<tr>
<th></th>
<th>Apr-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered trainees</td>
<td>3,052</td>
</tr>
<tr>
<td>(including Bradford Sandwich Students)</td>
<td></td>
</tr>
<tr>
<td>Registered training sites</td>
<td>5,099</td>
</tr>
<tr>
<td>New trainees (starting this summer) - Applications received and processed(^3)</td>
<td>231</td>
</tr>
<tr>
<td>Summer registration assessment-Applications received(^4)</td>
<td>985</td>
</tr>
<tr>
<td>Summer registration assessment - Applications processed(^5)</td>
<td>664</td>
</tr>
</tbody>
</table>

\(^3\) Deadline for applications is 7 June 2013.
\(^4\) Deadline for applications is 17 May 2013. By 10 May 2013, 1,455 summer registration assessment applications received, logged and initial check completed.
\(^5\) 907 summer registration assessment applications processed by 10 May 2013.
2. Continuing Professional Development

The CPD section provides an overview of the CPD activity undertaken by the Customer Services Team.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Records Requested</td>
<td>1,239</td>
<td>1,238</td>
<td>2,570</td>
<td>2,494</td>
<td>2,551</td>
<td>2,539</td>
</tr>
<tr>
<td>Records Reviewed</td>
<td>34</td>
<td>192</td>
<td>1,185</td>
<td>1,303</td>
<td>1,596</td>
<td>2,462</td>
</tr>
<tr>
<td>Reminders Sent</td>
<td>21</td>
<td>11</td>
<td>104</td>
<td>178</td>
<td>231</td>
<td>402</td>
</tr>
<tr>
<td>CPD Online Submissions</td>
<td>23</td>
<td>411</td>
<td>1,652</td>
<td>1,748</td>
<td>2,288</td>
<td>2,140</td>
</tr>
<tr>
<td>Paper Submissions</td>
<td>3</td>
<td>11</td>
<td>80</td>
<td>72</td>
<td>115</td>
<td>109</td>
</tr>
<tr>
<td>Dual Submissions (online and paper entries)</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>6</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>Feedback Sent</td>
<td>28</td>
<td>135</td>
<td>922</td>
<td>1,376</td>
<td>1,461</td>
<td>2,096</td>
</tr>
</tbody>
</table>

2.1 All cases from either the original FTP batch or from those called in early 2012 have had Notice of Intention to Remove letters sent to them, & the majority have now reached their deadline.

2.2 FTP cases – 13 Notice of Intention to Remove letters have been sent. 5 have submitted records, 1 voluntarily removed, leaving 7 requiring a Notice to Remove letters.

2.3 2012 cases – 34 Notice of Intention to Remove letters have been sent & we are now in the process of finalising Notice to Remove letters where required.

2.4 There are also now some cases from the current 2013 batch that require Notice of Intention to Remove letters, which are now starting to be sent out.

2.5 As at the middle of May we have now completed the November to May 2013 call in which 14,188 records were called.
3. Fitness to Practise

The fitness to practise data present the overall caseload for the reporting period.

3.1 Introduction

3.1.1 The focus of the commentary for this reporting period relates to Fitness to Practise performance in March to April 2013. Also included for this reporting period is a summary of the data set used by the Professional Standards Authority (PSA) to monitor the timeliness of the GPhC’s fitness to practice activity. This covers performance for the year, May 2012 to April 2013.

3.2 Total case load

3.2.1 Table 1 below sets out the overall case load from March 2013 to April 2013 and for the cases closed, a breakdown of the stage of the process they were closed.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Mar 13</th>
<th>New cases</th>
<th>Cases closed</th>
<th>Apr 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall case load</td>
<td>407</td>
<td>70</td>
<td>40</td>
<td>437</td>
</tr>
<tr>
<td>Stage closed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 6 closed by FtPC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 8 closed by IC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 7 closed OOJ</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 10 closed under threshold criteria</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 9 closed with advice</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3.2.2 In summary:
- Our overall caseload has increased from 407 at the end of March to 437 at the end of April.
- 40 cases were closed in April against a monthly average of 70 cases closed. This reduction in closure rates mirrors performance in previous years around the Easter period, aligned to higher than average amount of annual leave taken.
o 6 cases were closed by FtP Committee in April; this resulted in 3 removals from the register, 1 registrant was suspended, 1 given conditions and in 1 case, no impairment of fitness to practise was found.

o Of the 8 cases closed at Investigating Committee in February, 3 resulted in a warning letter being issued to the registrant, 4 resulted in a letter of advice being issued to the registrant, and 1 case agreed to undertakings.

3.3 Age profile of overall case load

3.3.1 Table 2 below sets out the age profile of the overall case load at the end of April 2013.

<table>
<thead>
<tr>
<th>Age profile of overall case load</th>
<th>Apr-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 6 months old</td>
<td>42.6%</td>
</tr>
<tr>
<td>6-12 months old</td>
<td>29.6%</td>
</tr>
<tr>
<td>12-15 months</td>
<td>6.8%</td>
</tr>
<tr>
<td>Over 15 months old</td>
<td>21%</td>
</tr>
</tbody>
</table>

3.3.2 These headline percentages summarise the following position:

- The overall age profile of our total caseload remains fairly static this reporting period, with 72% of our cases remaining below 12 months and 28% of cases remaining over 12 months old. This in line with previous reporting periods. There has been a slight reduction in the percentage of cases between 12 to 15 months old, but a slight increase in the percentage of cases over 15 months old.
- The number of cases over 15 months old has risen from 78 at the end for March to 90 at the end of April. 19 new cases have moved into this category.
  o Out of these 90 cases, 33 are now with the Hearings Team, 17 are with the Case Progression Team, 4 are with the Investigating Committee, and the remaining 36 are with the Investigation Team.
- The oldest case is 5 ½ years old.

3.5 Performance against target to conclude 95% of cases at FtP within 12 months by the end of March 2014

3.5.1 This is the first reporting period under the new target to conclude 95% of cases within 12 months.
3.5.2 In April 2013, 76% of the cases closed were concluded within 12 months (compared to 78% at 15 months). The lean end to end review of our fitness to practise processes and ways of working, which commenced in April 2013, is due to finish by the end of July. This will result in a clear action plan to strip out key areas of waste in the way we work. It is not expected that we will see any great improvement in our performance against this target until the lean review has been completed and we start to implement any associated improvements to working practises.

3.5.3 For context, April 2013 has seen a lower number of cases closed than normal as set out in the total caseload section. A proportionately higher number of these closed cases were concluded at Fitness to Practise Committee, all of which were over 15 months old.

3.5.4 At the end of April, 10 legacy cases remain with the remainder on schedule to be concluded by the end of July with the exception of 2 cases, which have associated external factors outside of our control.

3.6 Fitness to Practise Activity May 2012 to April 2013

3.6.1 Table 3 below sets out a summary of the data set used by the Professional Standards Authority (PSA) to monitor the timeliness of the GPhC’s fitness to practice activity. This covers the performance for the year May 2012 to April 2013 and compares favourably with the performance delivered in 2011. Under all measures there has been continuous improvement, with reductions across the board in the timeliness of case handling in fitness to practise.

<table>
<thead>
<tr>
<th>Table 3 - Fitness to Practise Activity</th>
<th>May 2012 to April 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>The median time taken from receipt of initial complaint to final fitness to practise hearing determination</td>
<td>126 weeks</td>
</tr>
<tr>
<td>The median time taken from receipt of initial complaint to final investigating committee decision</td>
<td>65 weeks</td>
</tr>
<tr>
<td>The median time taken from final investigating committee decision to final fitness to practise hearing decision</td>
<td>91 weeks</td>
</tr>
</tbody>
</table>
4. Inspection

The inspection team monitors the numbers of visits made to pharmacy premises. In addition, it monitors compliance with the current three year inspection cycle.

4.1 Annual inspection performance 2012/13

4.1.1 The annual inspection figures for the year ending 30 March 2013 are set out in the below table.

4.1.2 The total visits statistic includes routine inspections, follow up visits, inspections for pre-registration approvals of new pharmacy premises, and any visits linked to complaints. The controlled drugs inspections are always carried out as part of routine inspections.

<table>
<thead>
<tr>
<th>Total number of inspection visits</th>
<th>5,920</th>
</tr>
</thead>
<tbody>
<tr>
<td>breakdown by region...</td>
<td></td>
</tr>
<tr>
<td>Southern Region</td>
<td>1,966</td>
</tr>
<tr>
<td>Northern Region</td>
<td>1,798</td>
</tr>
<tr>
<td>Central Region</td>
<td>2,156</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total number of controlled drugs inspections</th>
<th>4,569</th>
</tr>
</thead>
<tbody>
<tr>
<td>breakdown by region...</td>
<td></td>
</tr>
<tr>
<td>Southern Region</td>
<td>1,549</td>
</tr>
<tr>
<td>Northern Region</td>
<td>1,450</td>
</tr>
<tr>
<td>Central Region</td>
<td>1,570</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outstanding visits in 3 year cycle</th>
<th>321</th>
</tr>
</thead>
<tbody>
<tr>
<td>breakdown by region...</td>
<td></td>
</tr>
<tr>
<td>Southern Region</td>
<td>2</td>
</tr>
<tr>
<td>Northern Region</td>
<td>33</td>
</tr>
<tr>
<td>Central Region</td>
<td>286</td>
</tr>
</tbody>
</table>

4.1.3 In summary, the inspectorate carried out 5,920 inspection visits from the 1 April to the 30 March 2013. Of these 4,569 involved controlled drugs inspections. The number of pharmacies not visited within the 3 year cycle stood at 321 at the 30 March 2013. This represents a backlog of 2%.

4.1.4 The inspectorate has recently appointed 5 new members of staff, 2 of which are due to start at the beginning of June and 3 at the beginning of July. This will bring the inspectorate to just over full establishment, enabling the remaining backlog to be cleared and to maintain the current 3 year rolling cycle going forward.
5. Organisational Complaints

This section reports on the complaints received about the way in which the organisation carries out its work. It covers complaints made against the workings of the GPhC as an organisation, as opposed to complaints about registrants.

<table>
<thead>
<tr>
<th>Breakdown by theme/category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of complaints received</td>
</tr>
<tr>
<td>8</td>
</tr>
</tbody>
</table>

5.1 Issues relating to delays make up the largest single category of complaints received in April:

- 2 related to our delayed response to concerns raised about the registration of a new pharmacy premises
- 1 regarding the length of time taken to make available on the myGPhC area a receipt for renewal payment

5.2 In the reporting month, we also received 2 compliments about our work. Both were in relation to the helpful advice received from the standards advisory team.
6. Human Resources

The HR data present a report against the following criteria; employee turnover, the rate of stability, diversity (age, ethnicity and gender) and sickness and absence rates for a six month period.

6.1 Employee turnover and stability rates

6.1.1 Turnover is measured by dividing the number of leavers over a period, for example a year or six months by the average number of staff employed over the same period, and the calculation multiplied by 100 to provide a percentage figure.

6.1.2 The stability rate focuses on the proportion of the workforce employed for a specified period, normally with one year or more service. This gives an indication of the number of staff leaving in under a year of joining the organisation.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>19.5%</td>
<td>13%</td>
<td>13%</td>
<td>10%</td>
</tr>
<tr>
<td>Stability rates</td>
<td>78.8%</td>
<td>80%</td>
<td>78%</td>
<td>74%</td>
</tr>
</tbody>
</table>

6.1.3 Both turnover and stability rates have remained consistent.

6.1.4 The average turnover rate in the service and not for profit industry for 2012/13 was between 15.1% and 19.1%. Therefore the GPhC has a turnover rate which is below average compared to these sectors.

6.1.5 Organisations generally aim to have a stability rate of between 90 and 95%.
6.2 Diversity

6.2.1 The gender profile has again remained constant from the previous reporting period. Currently 61% of the workforce is female and is comparable to the registrants for which 69% are female.
6.2.2 The above graph shows a comparison between GPhC staff, Registrants and the General Dental Council as well as the make-up of the UK and London population.

6.2.3 In comparison to the UK average, the GPhC has above average numbers of staff with Asian and Black ethnicity. However in comparison to the London and the GDC average the GPhC is roughly comparable.

6.2.4 GPhC when compared with the GDC as comparator has a higher proportion of white staff.

6.2.5 GPhC when compared to the registrant population has a higher proportion of white and black staff than the registrant population for which there is a greater proportion of Asians.
6.3  **Sickness & absence rates**

<table>
<thead>
<tr>
<th></th>
<th>Month</th>
<th>Rolling year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>April-12</td>
<td>April-13</td>
</tr>
<tr>
<td>No. of sick days taken in month or rolling year</td>
<td>65.5</td>
<td>55.5</td>
</tr>
<tr>
<td>No. of staff taking sick days in month or rolling year</td>
<td>24</td>
<td>16</td>
</tr>
<tr>
<td>Long term sickness case at month end</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>% of staff that were sick in rolling 12 month period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average sick days per head</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6.3.1  The average number of days taken as sick per head was 3.3 in a 12 month rolling period.

6.3.2  Compared with organisations of a similar size, for which the average number is between 6 and 10 days.
7. Financial Performance

The financial data provide an overview of the financial performance of the GPhC for the reporting period.

7.1 Comparative data

7.1.1 The actual results are compared against the budget approved by Council at its January 2013 meeting.

7.2 Year to date

7.2.1 The operating surplus (after tax and interest) for the month of April was £265k, which was £329k above budget. Total income was £1,581k and total expenditure was £1,1342k.

7.2.2 Income was £45k (3%) above budget, mainly due to releasing more DH grant income to offset higher expenditure on consultants. Expenditure was £268k (17%) below budget, as a result of savings on Employee Costs (posts not filled and savings on National Insurance and PAYE on the change of status to self-employed of FTP panellists). Savings were also made on Professional Fees as the start of a number of projects was delayed.

7.2.3 Interest Receivable was £19k above budget as a result of implementing the cash management policy and reducing the risk by transferring funds from Royal Bank of Scotland to other banks/building societies.

7.3 Balance sheet

7.3.1 As at 30 April the total assets / funds of the GPhC amounted to £14.9m. The target reserve level for the GPhC is £12.5m.

7.3.2 Net Current Assets are £14.7m, an increase of £4.5m since 30 April 2012.
## Management Accounts April 2013

<table>
<thead>
<tr>
<th></th>
<th>April 2013</th>
<th>Year to date</th>
<th>Budget to 31/03/14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Budget</td>
<td>Variance</td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pharmacist Income</td>
<td>954,749</td>
<td>955,895</td>
<td>(1,146)</td>
</tr>
<tr>
<td>Premises Income</td>
<td>289,570</td>
<td>274,453</td>
<td>15,117</td>
</tr>
<tr>
<td>Technician Income</td>
<td>212,844</td>
<td>208,547</td>
<td>4,297</td>
</tr>
<tr>
<td>Pre-Registration Income</td>
<td>31,022</td>
<td>33,600</td>
<td>(2,578)</td>
</tr>
<tr>
<td>Other Fee Income</td>
<td>6,595</td>
<td>7,446</td>
<td>(851)</td>
</tr>
<tr>
<td>DHI Grant Income</td>
<td>68,822</td>
<td>38,750</td>
<td>30,072</td>
</tr>
<tr>
<td>Other Income</td>
<td>17,497</td>
<td>17,432</td>
<td>65</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>1,581,099</td>
<td>1,536,124</td>
<td>44,975</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chief Executive</td>
<td>(89,727)</td>
<td>(206,995)</td>
<td>117,267</td>
</tr>
<tr>
<td>Policy &amp; Communications</td>
<td>(279,252)</td>
<td>(317,008)</td>
<td>37,756</td>
</tr>
<tr>
<td>Regulatory Services</td>
<td>(177,669)</td>
<td>(45,090)</td>
<td>132,579</td>
</tr>
<tr>
<td>Resources &amp; Corporate Development</td>
<td>(452,649)</td>
<td>(461,562)</td>
<td>9,913</td>
</tr>
<tr>
<td>Council &amp; Governance</td>
<td>(47,730)</td>
<td>(67,433)</td>
<td>19,703</td>
</tr>
<tr>
<td><strong>Total Directorate Costs</strong></td>
<td><strong>(1,247,138)</strong></td>
<td><strong>(1,505,093)</strong></td>
<td><strong>257,955</strong></td>
</tr>
<tr>
<td>Rent</td>
<td>(45,913)</td>
<td>(53,993)</td>
<td>8,080</td>
</tr>
<tr>
<td>Service Charge</td>
<td>(21,537)</td>
<td>(20,917)</td>
<td>(620)</td>
</tr>
<tr>
<td>Rates</td>
<td>(17,027)</td>
<td>(22,000)</td>
<td>4,973</td>
</tr>
<tr>
<td>Utilities</td>
<td>(8,234)</td>
<td>(6,200)</td>
<td>(2,034)</td>
</tr>
<tr>
<td>Insurance</td>
<td>(1,680)</td>
<td>(1,748)</td>
<td>68</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td><strong>(1,341,529)</strong></td>
<td><strong>(1,609,950)</strong></td>
<td><strong>268,421</strong></td>
</tr>
<tr>
<td><strong>Net Operating Surplus/(Deficit) before interest &amp; tax</strong></td>
<td>239,570</td>
<td>(73,826)</td>
<td>313,396</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>31,723</td>
<td>12,500</td>
<td>19,223</td>
</tr>
<tr>
<td><strong>Net Operating Surplus/(Deficit) before tax</strong></td>
<td>271,293</td>
<td>(61,326)</td>
<td>332,619</td>
</tr>
<tr>
<td>Corporation Tax Payable</td>
<td>(6,531)</td>
<td>(3,259)</td>
<td>(3,272)</td>
</tr>
<tr>
<td><strong>Net Operating Surplus/(Deficit) after tax</strong></td>
<td>264,762</td>
<td>(64,586)</td>
<td>329,347</td>
</tr>
</tbody>
</table>
## General Pharmaceutical Council

### Management Information Report 2013/14

#### Revenue

<table>
<thead>
<tr>
<th>Income</th>
<th>No.</th>
<th>£'000</th>
<th>Var £'000</th>
<th>Var %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmacists</td>
<td>47,406</td>
<td>955</td>
<td>(1)</td>
<td>0</td>
</tr>
<tr>
<td>Technicians</td>
<td>21,831</td>
<td>213</td>
<td>4</td>
<td>2.1</td>
</tr>
<tr>
<td>Premises</td>
<td>14,201</td>
<td>289</td>
<td>15</td>
<td>5.5</td>
</tr>
<tr>
<td>Pre-registrants</td>
<td>3,058</td>
<td>31</td>
<td>(2)</td>
<td>-7.7</td>
</tr>
<tr>
<td>Other income</td>
<td>93</td>
<td>29</td>
<td></td>
<td>3.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,581</strong></td>
<td><strong>45</strong></td>
<td></td>
<td>0.8</td>
</tr>
</tbody>
</table>

#### Expenditure

<table>
<thead>
<tr>
<th>Expense</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy &amp; Communications</td>
<td>(279)</td>
<td>37</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Regulatory Services</td>
<td>(535)</td>
<td>109</td>
<td>16.9</td>
<td></td>
</tr>
<tr>
<td>Support Costs</td>
<td>(527)</td>
<td>122</td>
<td>18.8</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(1,341)</td>
<td>268</td>
<td>16.7</td>
<td></td>
</tr>
</tbody>
</table>

#### Interest net of Corporation Tax

<table>
<thead>
<tr>
<th>Interest net of Corporation Tax</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25</td>
<td>16</td>
<td>272.4</td>
<td></td>
</tr>
</tbody>
</table>

#### Net Surplus after tax

<table>
<thead>
<tr>
<th>Net Surplus after tax</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>265</td>
<td>329</td>
<td>509.9</td>
<td></td>
</tr>
</tbody>
</table>

#### Support costs as a percentage of total income

| Support costs as a percentage of total income |     |       | 33.3   | 6.4   |

#### Balance Sheet

<table>
<thead>
<tr>
<th>Balance Sheet</th>
<th>£'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Expenditure</td>
<td>0</td>
</tr>
<tr>
<td>Bank &amp; Cash</td>
<td>27,827</td>
</tr>
<tr>
<td>Deferred Income</td>
<td>(13,017)</td>
</tr>
<tr>
<td>Reserves</td>
<td>14,907</td>
</tr>
</tbody>
</table>

Income on or above budget, Expenditure below budget
Income up to 2.5% below budget, Expenditure up to 2.5% over budget
Income more than 2.5% below budget, Expenditure more than 2.5% above budget
# GPhC Balance Sheet as at 30 April 2013

<table>
<thead>
<tr>
<th></th>
<th>April 2013</th>
<th>March 2013</th>
<th>April 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td><strong>Fixed Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible Assets</td>
<td>194</td>
<td>206</td>
<td>149</td>
</tr>
<tr>
<td></td>
<td>194</td>
<td>206</td>
<td>149</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade Debtors</td>
<td>8</td>
<td>29</td>
<td>132</td>
</tr>
<tr>
<td>Other Debtors</td>
<td>387</td>
<td>429</td>
<td>249</td>
</tr>
<tr>
<td>Prepayments</td>
<td>509</td>
<td>574</td>
<td>341</td>
</tr>
<tr>
<td>Accrued Income</td>
<td>76</td>
<td>40</td>
<td>54</td>
</tr>
<tr>
<td>Bank &amp; Cash</td>
<td>27,828</td>
<td>28,855</td>
<td>24,666</td>
</tr>
<tr>
<td></td>
<td>28,808</td>
<td>29,928</td>
<td>25,441</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade Creditors</td>
<td>168</td>
<td>584</td>
<td>362</td>
</tr>
<tr>
<td>Corporation Tax</td>
<td>51</td>
<td>45</td>
<td>0</td>
</tr>
<tr>
<td>Other Creditors</td>
<td>0</td>
<td>56</td>
<td>0</td>
</tr>
<tr>
<td>Other Taxes &amp; Social Security</td>
<td>186</td>
<td>198</td>
<td>0</td>
</tr>
<tr>
<td>Deferred Income :-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Grants</td>
<td>1,571</td>
<td>1,640</td>
<td>2,180</td>
</tr>
<tr>
<td>- Ring Fenced Grant</td>
<td>76</td>
<td>76</td>
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<td>- Fee Income</td>
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<td><strong>Net Assets</strong></td>
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<td>14,642</td>
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<td><strong>Funds Employed</strong></td>
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<td>Accumulated Fund b/fwd.</td>
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<td><strong>Total Funds</strong></td>
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This table replaces the one in Item 12 Performance Monitoring paper 06.13/C/08 page 15

Ethnicity Profile Comparison

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Revised table produced 11/06/13
Council meeting 13 June 2013 06.13/C/09

Public business

Strategic review of risks

Purpose
To consider the key risks facing the GPhC

Recommendations

The Council is asked:

i. to discuss and note the risk review summarised in this paper.

1.0 Introduction

1.1 The General Pharmaceutical Council’s risk management guide includes the following:

Reviewing and Reporting

“The management of risk should be reviewed regularly to monitor whether or not the risk profile is changing, to gain assurance that risk management is effective, and to identify when further action is necessary. Procedures should be put in place to review regularly whether risks still exist, whether new risks have arisen, whether the likelihood and impact of risks has changed, report significant changes which adjust risk priorities, and deliver assurance on the effectiveness of control.

Key players in the review and reporting processes are the Audit and Risk Committee and the assurance and advisory work of Internal Audit. However, it is important to note that neither the Audit Committee nor Internal Audit can substitute for management ownership of risk or for an embedded review system carried out by the various staff who have executive responsibility for the achievement of organisational objectives.

In addition to regular review of the organisation’s risk management arrangements and the risk register by the Audit and Risk Committee, the GPhC Council conducts a strategic risk review three times a year. This review is informed by a strategic risk review paper prepared by the chief executive which draws on the risk register, highlighting all red risks, together with amber risks where the residual risk score is not coming down. The risk register itself is not
1.2 This paper is to support the Council’s strategic review of the organisation’s risks.

2.0 Risk management assurance

2.1 At its meeting on 30 May 2013, the Audit & Risk Committee reviewed the risk management arrangements and the corporate risk register.

2.2 Section 3 contains an overview of key risks, which is informed by the current edition of the corporate risk register and includes the Audit & Risk Committee’s opinion in relation to some specific risks.

2.3 The Audit and Risk Committee considers that the arrangements in place for managing risks are operating effectively to provide assurance that risks are being identified and managed.

3.0 Strategic review of risks

3.1 This review does not assume that the organisation’s risks can be neatly classified as either “strategic” or “operational”/”tactical.” Our risk management approach recognises that operational risks can have a strategic significance.

3.2 GPhC risk scoring gives a score to each risk by reference to impact and likelihood. Risks with a score of 5 or less are green; 6-10 are amber; 12-25 are red.

3.3 Key points raised by the Committee:

- To ensure that risks are considered as part of the business planning process the committee asked that the Executive change the timing of when Council review the corporate risk register. It was proposed to link this to Council’s discussions about business planning.
- The committee discussed the absence of the following key risks which they had expected would be reflected in the corporate risk register:
  - The scale and number of new IT systems to be implemented as part of the IT project. The Committee sought assurance that these risks were being adequately managed and it was agreed that this could be achieved by the IT project implementation plan being presented at the next meeting of the Committee in October.
– High level risks from the Francis report and the need for transparency of some of the key issues.
– The risks relating to education and whether there is adequate visibility in what the Committee see in relation to this.
– The impact on resources and whether this was adequately reflected, in light of the amount of projects and initiatives that we are currently running.

• The committee noted that there are a number of risks where the target completion date has been deferred. Whilst the detail to explain why the date had been revised in relation to specific risks was provided, the risk score in some cases should be increased to better reflect the impact of this.

3.4 High risks (red) – Total 4

a. Significant information security breach causes reputation damage and/or liability for compensation claims and/or compliance action by the Information Commissioner’s Office
  • Current risk score is 12; risk score has been increased.
  • The risk score has been increased as the Executive feel that the previous risk score (9) was not reflective of what was happening in practice.
  • Information security consultant now in place and a thorough review of the current process has been undertaken and a list of top ten priorities for remedial action has been drawn up and project plan for implementation of ISO 27001 has been created.
  • The target completion date has changed to March 2014 (was December 2013).
  • The Committee noted the separate detailed paper on the tasks to mitigate this risk. It was agreed that the ISO 27001 project plan be presented at the October meeting of the committee and regular updates against the plan thereafter.

b. We do not have enough staff resources to deliver required policy development across all our regulatory functions including our new powers in relation to registered pharmacies
  • Current risk score is 12; risk score has been increased.
  • In light of the resource overload in this area of work, the risk score has been increased.
  • The target completion date has been revised to December 2013 (was July 2013).
c. Failure to co-ordinate project resources leads to delays and/or impact on business operations
   • Current risk score is 12; risk score has been increased.
   • An increase in the number and scope of identified corporate wide projects, as well as timelines set for delivery means this risk score increases.
   • The target completion date has been revised to March 2014 (was December 2013).
   • The committee asked the Executive to review the wording of the nature of this risk. The issue is not solely in respect of the failure to co-ordinate projects but is also about the large number of projects and the challenges that this presents. It is an over-arching risk in a small organisation with a big agenda.

d. External initiatives from government including ‘rebalancing’ and the Francis Inquiry, distract us from carrying out our core regulatory responsibilities and confuse, rather than clarify the respective roles of medicines legislation and professional regulation
   • Current risk score is 12; risk score remains unchanged.
   • The risk score remains unchanged as the Government's full response to the Francis report is due September 2013 and this could lead to further policy change.
   • The target completion date has been changed to March 2014 (was September 2013) to reflect this.

3.5 Medium risks (amber) where the risk score is not reducing – Total 8

a. The legislative framework for delivering fitness to practise looks increasingly out of step with modern regulation and prevents efficient regulation by operational teams
   • Current risk score is 9; risk score remains unchanged.
   • We continue to maintain the optimal mitigating actions, which includes the work being undertaken within FtP policy to review the data we can capture internally to increase information and learning.
   • Target completion date December 2015.

b. Our policy making and approach to regulation is based on assumptions about perceptions, rather than evidence of views, or involvement in policy development leading to inappropriate policy making and lack of confidence of the GPhC as regulator
• Current risk score is 9; risk score remains unchanged.
• We are making progress on the actions to mitigate this risk, which includes the perceptions survey of registrants.
• Target completion date December 2013.

c. Our work duplicates the work of other regulatory bodies at national and local level
• Current risk score is 9; risk score remains unchanged.
• On reflection, it is felt that this risk could be a business as usual type risk. However we will continue to monitor and review again at the end of the target completion date of December 2013.

d. We fail to develop a credible and effective revalidation model/s leading to external pressure to do ‘something’
• Current risk score is 9; risk score remains unchanged.
• We have made a decision in principle that we will need to increase resources specifically for revalidation. The risk score remains unchanged as we continue to work out the specifics for this.
• Target completion date 2015.

e. Council focus gets distracted as a result of conflicting priorities from external factors.
• Current risk score is 9; risk score remains unchanged.
• The Council strategy day in June will provide a renewed strategic focus.
• Target completion date March 2014.

f. In moving to outcome focused standards, key audiences including the pharmacy profession and patients and the public, lose confidence in us as a regulator and other pharmacy leadership bodies fail to provide guidance required to support good practice.
• Current risk score is 8; risk score remains unchanged.
• We continue to put in place actions to mitigate this risk. This includes a programme of engagement to raise awareness of the new standards for registered pharmacies and the inspection model, planned for the second half of 2013.
• Target completion date October 2013.

g. Possibility of creating a GPhC backlog in FtP cases due to lengthy decision-
making process.

- Current risk score is 8; risk score remains unchanged.
- Performance improvement has plateaued and until we have the results and impact from the current lean review of FtP processes, the risk score remains unchanged. To reflect the timelines of this the target completion date is now March 2014 (was December 2013).
- Target completion date March 2014.

h. Changes to the NHS in England result in breakdown of local networks through PCTs resulting in issues currently resolved at local level being referred to the GPhC.

- Current risk score is 6; risk score remains unchanged.
- It was envisaged that by now we would have in place an understanding with NHS England and the newly formed local area teams for sharing operational information and intelligence with our local inspectors.
- The target completion date has been revised to October 2013 (was May 2013) as by this time it is hoped that we will have a response to the draft memorandum of understanding that has been sent to the National Commissioning Board.
- Target completion date October 2013.

4.0 **Equality and diversity implications**

4.1 This paper does not propose any new or amended policies, so there is no equality and diversity impact assessment indicated.

5.0 **Communications implications**

5.1 The Council is committed to operating in a way which is transparent and accountable. Open and frank discussion of risks is itself not risk-free in a media-political culture in which regulatory failure has a high news value.

6.0 **Resource implications**

6.1 Our integrated approach to risk, in which the management of risks is a mainstream part of the ongoing management of the organisation’s activities rather than a parallel process means that resource planning for risk management activity is part of the routine budgeting and resource allocation process.
7.0 Risk implications

7.1 Risk issues are integral to this paper.

Recommendations

The Council is asked

i. to discuss and note the risk review summarised in this paper.

Duncan Rudkin, Chief Executive & Registrar
duncan.rudkin@pharmacyregulation.org,
tel 020 3365 3501

3 June 2013
Council meeting 13 June 2013

Public business

Chief Executive & Registrar’s report

Purpose
To keep the Council abreast of significant recent meetings and developments.

Recommendation
The Council is asked to note this paper.

1.0 Recent meetings

1.1 Listed in Appendix 1 is a non-exhaustive selection of significant meetings held during the two months since the last Council meeting.

1.2 Council members are reminded to liaise with the office before accepting external invitations to speak on behalf of the GPhC, in order to minimise overlap and to ensure they have the most up-to-date supporting material.

2.0 Council workshop 16 May

2.1 The Council had a presentation from the chair of the Rebalancing Programme Board, Ken Jarrold and the DH Head of Pharmacy, Jeanette Howe, who gave some background on the context and scope of this work and an update on progress to date (see item 3.)

2.2 Council also had a presentation and informal discussion on the proposed approach to business planning and a session with the GPhC communications team looking at how we communicate with our stakeholders and considering how we could do this more effectively.
3.0 **Rebalancing update**

3.1 The Chair and Chief Executive attended the first meeting of the Rebalancing Programme Board on 2 May.

3.2 The scope of the programme has been confirmed as follows:

- decriminalisation of dispensing errors
- the Responsible Pharmacist Regime
- the Superintendent pharmacist regime
- supervision of the supply of medicines
- the registration criteria for what constitutes a "pharmacy" requiring registration with the GPhC, with specific focus on the registration of hospital pharmacy.

3.3 The Programme Board will meet monthly. Information about the Board, its terms of reference, membership and meetings is available at: https://www.gov.uk/government/policy-advisory-groups/pharmacy-regulation-programme-board

4.0 **Inspection Development Assurance Group (IDAG)**

4.1 The inspection development assurance group (IDAG) met for the second time on 19 April, focusing on five main aspects of the developing inspection model:

- Reviewing in some depth the progress of actions within the development plan, including an update on the outputs from the last round of sounding boards in England, Scotland and Wales and the meeting with key stakeholders in March. This particularly covered issues such as minor and major non compliance triggers and red flag standards, amongst others.
- Discussion and challenge around the first draft of the communication and engagement plan supporting the continued modernisation of pharmacy regulation.
- Reviewing the proposed strategic relationship management role, purpose and approach, including a challenge discussion around benefits and risks.
- Interactive session around risks associated with development and operation of the new inspection model and how these were being managed.
- High level review of the principles, approach and stages of the action learning testing plan of various aspects of the inspection model. Testing has now started.
4.2 The next meeting in July will focus on the outcomes and learning from the action learning testing stage, what changes are required as a result and whether there are any issues emerging which might require a further policy decision by Council.

5.0 Registrant survey

5.1 We are in the final stages of a competitive tendering process to select a research organisation to deliver the registrant survey. We expect to appoint a provider and start working with them to finalise the questionnaire in early June. We want the fieldwork to be carried out as soon as practicable and aim to have results to report to Council in September.

6.0 Education

6.1 We are in the process of establishing a task and finish group - the Learning Outcomes Review Group - to carry out a review of our standards for the initial training of pharmacists. In particular this will focus on standard 10 which covers the detailed outcomes required (including clinical skills) and standard 5 which covers curriculum development.

6.2 The membership of the group will be:

- Chair: Nigel Clarke
- One/two community care education expert(s) currently involved in pharmacist pre-registration training
- One/two secondary care education expert(s) currently involved in pharmacist pre-registration training
- Four academics with recent experience of designing MPharm degrees and writing learning outcomes, nominated by the Pharmacy Schools’ Council
- A pre-registration trainee nominated by the BPSA
- A recently-registered pharmacist with an interest in education

The drafting work will be undertaken by Professor David Wright, Professor of Pharmacy Practice, University of East Anglia.

6.3 The dates for the meetings of the group are:

1st Meeting – Monday 24 June
2nd Meeting – Friday 5 July
3rd Meeting – Tuesday 23 July

7.0 ICT update

7.1 A GPhC project board, supported by staff from each directorate, has engaged in a competitive tendering process to find the right suppliers as we develop and
begin to implement a new ICT system. Following a number of stages to find the most suitable suppliers Touchstone has been selected as our partner. We will be holding initial meetings with Touchstone to work on high level requirements and expect to have a detailed project plan by July.

8.0 Public Interest Disclosure Act 1998

8.1 In April we were asked by the Department of Health, on behalf of the Secretary of State, to make our registrants aware of their right to speak out in the public interest. In particular we were asked to reiterate that individuals are legally protected by Public Interest Disclosure Act 1998 (PIDA) even if they have signed a contract of employment or compromise agreement which contains a 'gagging clause'.

8.2 In response we included a piece in the May edition of Regulate reminding registrants of their right to speak out in the public interest and making them aware that in such cases PIDA will provide them with legal protection. We also drew attention to our Guidance on Raising Concerns which contains information about PIDA and organisations that may be able to support professionals in raising concerns.

8.3 With regard to GPhC practice as an employer, we have a section on whistleblowing as part of our employee handbook which is accessible to all staff. We do not have a standard compromise agreement but such agreements, when needed, would expressly inform individuals that the agreement would not prevent them from raising concerns in accordance with the provisions of PIDA.

9.0 Which? investigation into community pharmacies

9.1 Which? has repeated an investigation last carried out in 2008 into community pharmacies. Mystery shoppers were sent into 122 randomly selected community pharmacies across the UK using three scenarios. Results were published in the June issue of their magazine.

- Overall there had been an increase in the number of visits rated unsatisfactory from 34% in 2008 to 43% in 2013 but this result was skewed by the results from one scenario - a request for Pantaloc medication for heartburn - where 71% of the visits were rated unsatisfactory. The other two scenarios showed a small improvement since 2008.

- Similar to the results in 2008, visits to independents were more likely to be rated unsatisfactory than visits to multiples or supermarkets. Visits were significantly more likely to be rated unsatisfactory if the pharmacy
assistant dealt with the whole consultation/transaction and the pharmacist did not get involved at any point.

9.2 We have been working closely with the RPS in developing our response. Both organisations have a role to play in supporting and taking forward this agenda. We have agreed with the RPS to organise a joint event on 8 July to discuss the issues raised by the investigation. Further details will be circulated nearer the time and there will be an opportunity for Council members to attend.

10.0 Consultations

10.1 A list of active consultations with which the organisation is or is not engaging is included at Appendix 2.

Recommendation

The Council is asked to note this paper.

Duncan Rudkin, Chief Executive & Registrar
General Pharmaceutical Council
duncan.rudkin@pharmacyregulation.org, tel 020 3365 3501
30 May 2013
Appendix 1

List of Meetings

Listed below is a non-exhaustive selection of significant meetings held during the two months since the last Council meeting. Initials are as follows: Bob Nicholls (RMN), Duncan Rudkin (DR), Bernard Kelly (BK), Hugh Simpson (HS), Lyn Wibberley (LW), Claire Bryce-Smith (CBS):

Chair:
• Royal Pharmaceutical Society (RPS) English Pharmacy Board event - Commission on future models of care delivered through pharmacy (with DR)
• Andy Burnham MP – update meeting (with HS)
• King’s Fund Board Leadership Programme Seminar – Patients first and foremost
• Chair, RPS English Pharmacy Board & RPS Director of England – update meeting (with DR)
• Royal Pharmaceutical Society (RPS) event - Implementation of the Francis Inquiry through Professional Leadership (with HS)
• Executive Director, International Skills Standards Organisation (INSSO) – update meeting
• Department of Health (DH) Rebalancing Programme Board meeting (with DR)
• Chair & Chief Executive, General Dental Council (GDC) and Chair & Chief Executive General Optical Council (GOC) – meeting (with DR)
• Chief Executive, Royal Society for Public Health – introductory meeting
• Director of Education and Quality & Head of Operations & Development, Health Education England with Director of Education and Standards, GMC, Assistant Director, Education and Standards, NMC, Acting Director of Education, HCPC, Head of Professional Standards, GOsC and Director of Education, Registration and Standards, General Chiropractic Council - update meeting
• London Directors of Education and Quality meeting – speaking
• President & Chief Executive, Royal Pharmaceutical Society (RPS)– update meeting (with DR)
• Health Regulators Chairs meeting
• Worshipful Society of Apothecaries of London Galen and William Farr Medals – dinner
• Modernising Pharmacy Careers (MPC) Board meeting
Staff:

- Welsh Modernising Pharmacy Careers (MPC) Board meeting (DR)
- Chief Executive, Royal Pharmaceutical Society (RPS) – update meeting (DR)
- Health Regulators Chief Executives Steering Group meeting (DR)
- Chair and Director, Pharmacists’ Defence Association (PDA) – update meeting (DR)
- RPS English Pharmacy Board event - Commission on future models of care delivered through pharmacy (with RMN)
- Chief Executive, National Voices – update meeting (DR with HS)
- Andy Burnham MP – update meeting (HS with RMN)
- Chair, RPS English Pharmacy Board & RPS Director of England – update meeting (with RMN)
- Deputy Director for Professional Standards Division, Department of Health (DH) – update meeting (DR, LW)
- Department of Health (DH) Rebalancing Programme Board meeting (with RMN)
- Community Pharmacy Scotland Board Meeting (DR)
- Chief Executive, Professional Standards Authority – update meeting (DR)
- Chief Executive, Care Quality Commission (DR, LW)
- Department of Health (DH) Professional Standards liaison regular meeting (DR, BK, CBS, HS, LW)
- Chief Pharmaceutical Officer, NHS England – update meeting (DR)
- Chair & Chief Executive, General Dental Council (GDC) and Chair & Chief Executive General Optical Council (GOC) – meeting (DR with RMN)
- Deputy Chief Pharmaceutical Officer, NHS England – introductory meeting
- Sigma Pharmaceutical Conference - speaker (DR)
- Group Chief Pharmacist, Nuffield Health – update meeting
- President & Chief Executive, Royal Pharmaceutical Society (RPS) – update meeting (with RMN)
- Chief Executive, Pharmaceutical Services Negotiating Committee (PSNC) – update meeting
- Chief Pharmaceutical Officer, Scottish Government Health Department – update meeting (DR)
- Association of Pharmacy Technicians (APTUK) Conference - speaking (DR)
- ‘Patients first and foremost’ – discussion breakfast at House of Commons (DR)
- Regulators Directors of Resources meeting (BK)
- Head of Corporate Communications, Royal Pharmaceutical Society (RPS) – meeting about standards (CBS, HS)
- Care Quality Commission – update meeting (CBS, HS)
- Adviser, National Clinical Assessment Service (NCAS) – update meeting,
• Head of Healthcare Inspection, Her Majesty’s Inspectorate of Prisons – meeting (CBS)
• Group Manager, Inspections, Medicines and Healthcare products Regulatory Agency (MHRA) – update meeting (CBS)
• Pharmaceutical Services Negotiating Committee (PSNC) – meeting (CBS)
• Fitness to Practise Director, General Chiropractic Council (GCC) – update meeting (CBS)
• Royal Pharmaceutical Society (RPS) Frameworks Oversight Group, meeting (HS)
• University College London School of Pharmacy Report on pain management in community pharmacies launch (HS)
• Visit to University of Birmingham (HS)
• Head of Education and Training, Health Education England – meeting (HS)
• Clinical Pharmacy Congress (HS)
• Royal Pharmaceutical Society (RPS) event - Implementation of the Francis Inquiry through Professional Leadership (HS with RMN)
• NHS Confederation Bureaucracy and Regulatory Review Advisory Group – meeting (LW)
### Active and new consultations (week ending 24/05/13)

*Consultations on which an office decision is pending are shown in italics*

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<td>UK Public Health Register</td>
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<td>Public consultation (MLX 381): proposals for amendments to medicines legislation to allow sale of medicines on trains and planes</td>
<td>MHRA</td>
<td>The MHRA is undertaking a public consultation on proposals for amendments to medicines legislation to allow sale of general sale list (GSL) medicines on trains and planes.</td>
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<td>EU directive on patients' rights to healthcare in other European countries</td>
<td>Department of Health</td>
<td>This is a consultation on the government’s suggestions for implementing the EU Directive 2011/24/EU. This directive concerns patients’ rights to cross-border healthcare in other member states of the European Economic Area. <a href="https://www.gov.uk/government/consultations/eu-directive-on-patients-rights-to-healthcare-in-other-european-countries">https://www.gov.uk/government/consultations/eu-directive-on-patients-rights-to-healthcare-in-other-european-countries</a></td>
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<td>Commission on Future Models of Care</td>
<td>RPS</td>
<td>Commission on Future Models of Care is looking at models of care delivery that involve pharmacy. The Commission is keen to identify and understand innovative examples of good practice in pharmacy care, and to determine how such examples could become more widespread in the NHS. <a href="http://www.rpharms.com/leading-on-nhs-reforms-for-pharmacy/models-of-care.asp">http://www.rpharms.com/leading-on-nhs-reforms-for-pharmacy/models-of-care.asp</a></td>
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<td>Informal consultation on: Notification of intention to amend the Human Use Regulations 2012</td>
<td>MHRA</td>
<td>Informal consultation on the MHRA’s intention to amend medicines legislation to implement changes arising from the adoption of Article 11 of the Cross-Border Healthcare Directive EU Directive 2011/24 EU on the application of patients’ rights in cross-border healthcare.</td>
<td>17/06/13</td>
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The Audit and Risk Committee’s annual report to Council

Purpose
To provide the Council with a report on the Committee’s work between February 2012 and March 2013, together with the assurances received at the May 2013 meeting.

Action required

The Council is asked to note the report at Appendix 1.

1. Background

1.1 The Audit and Risk Committee’s terms of reference require it to report to the Council annually on its work. At its meeting on 30 May this year, the Committee considered a draft report on the Committee’s work since February 2012.

1.2 The revised report is attached at Appendix 1.

Bernard Kelly, Director, Resources & Customer Services
General Pharmaceutical Council
bernard.kelly@pharmacyregulation.org  tel 020 3365 3510

11 June 2013
2013 report of the Audit & Risk Committee

1. Introduction

1.1 The Council established the Audit & Risk Committee to support the Council by reviewing the comprehensiveness and reliability of assurances and internal controls in meeting the Council’s oversight responsibilities. The Committee has delegated authority to:

- monitor the Council’s risk management arrangements
- approve the internal audit programme
- advise the Council on the comprehensiveness and reliability of assurances and internal controls, including internal and external audit arrangements, and on the implications of assurances provided in respect of risk and control.

1.2 The Committee is accountable to the Council and reports to the Council annually on its work. The last report of the Audit & Risk Committee went to the Council in April 2012. This report will be submitted to the Council in June 2013 and will cover the period February 2012 – March 2013; however it will include the assurances given to the May 2013 meeting of the Committee. Moving forward, the report will cover the financial year, i.e. the period from 1 April to 31 March.

1.3 The membership of the Committee for the period from January 2012- March 2013 was as follows: Cathryn Brown, John Flook (Chair), Keith Wilson and Judy Worthington and Hilary Daniels (External Member). The Committee at the February 2013 meeting noted the new membership of the Committee for the period from 1 April 2013 to 31 March 2014 following agreement by Council.

1.4 The Committee reviewed and updated its terms of reference in February 2013, this was reported to Council in April 2013.

1.5 Members’ attendance at meetings in the period to March 2013 is at Annex 1. The Committee’s work during the past year is summarised in the sections below.

2. Risk management

2.1 The Committee reviewed and recommended amendments to the GPhC’s Raising Concerns policy which were subsequently incorporated into the final version of the policy.

2.2 The Committee’s work on risk management continued to focus on risks to the achievement of the GPhC’s strategic objectives and to its reputation. The Committee has reviewed the risk register at each meeting and its reviews have informed the Chief Executive & Registrar’s reports on risk management to the Council.
2.3 It had been reported to the Committee that some of the decisions of the Fitness to Practice Committee, particularly relating to sexual and gender specific issues, had identified learning points which at the time had not been addressed by the training for committee members. This specific risk is encapsulated in the risk register as “Decisions are made by statutory committee members that expose the GPhC to legal and/or reputational risk”. A separate paper explaining the measures taken to reduce this risk was discussed at the February 2013 meeting.

2.4 The Committee asked that a review be undertaken into whether the risks relating to the GPhC’s role in quality assurance of pre registration training and the registration assessment were being addressed appropriately. Subsequently and following further feedback from Council a comprehensive review is being planned in relation to how we prioritise and address issues in relation to both pre and post registration education and training for both pharmacists and pharmacy technicians. Specifically in relation to pre-registration, we have commissioned external planning work to develop and carry out a survey of pre-registration trainees in 2013 which will, amongst other things, help to inform development of guidance for trainees which is also planned for 2013.

2.5 The Committee asked that when the Corporate risk register was presented for its review all red risks from the Directorate and Programme risk registers also be reported but not automatically escalated to the Corporate risk register. This has now been actioned.

2.6 The Committee identified risks around the organisation’s information security arrangements and requested a formal paper. Although a paper was provided and the Committee were reassured by the progress made the Committee requested regular updates on the issue and highlighted the issue to the Council through a formal report.

3. **Internal audit up to March 2013**

3.1 Deloitte, the internal auditors for the GPhC submitted an annual plan for internal audit based on the risk register. This plan was approved by the Committee.

3.2 An internal audit progress report was considered at each meeting.

3.3 The Committee reviewed the reports of the completed internal audits, and the update on management actions, namely in:

<table>
<thead>
<tr>
<th>Pharmacy school accreditation</th>
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</thead>
<tbody>
<tr>
<td>Fitness to Practise self declaration and complaints processes</td>
</tr>
<tr>
<td>Registration assessment</td>
</tr>
<tr>
<td>Human Resources</td>
</tr>
<tr>
<td>Risk management</td>
</tr>
<tr>
<td>Core financial controls</td>
</tr>
</tbody>
</table>
The following audits were in progress as at February 2013:

<table>
<thead>
<tr>
<th>Audit Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>External communication</td>
</tr>
<tr>
<td>Whistleblowing</td>
</tr>
<tr>
<td>Financial procedures</td>
</tr>
<tr>
<td>Registration: Customer Services</td>
</tr>
<tr>
<td>Evidence management</td>
</tr>
<tr>
<td>Standards advice and management</td>
</tr>
<tr>
<td>Contract compliance: New IT supplier</td>
</tr>
<tr>
<td>Standards development</td>
</tr>
</tbody>
</table>

4. **External audit upto March 2013**

4.1 The Committee reviewed the statutory annual report and financial statements before submission to the Council in June 2012; the Committee particularly focused on the statement on internal control. Following approval by Council the annual report and annual accounts were signed off by the external auditors, Grant Thornton, then laid in the Westminster and Scottish Parliaments on 27 June 2012.

4.2 The Committee received the full external audit plan in February 2012 and again in February 2013. The external audit plan was reviewed by the Committee and approved in both instances.

5. **The Committee's ways of working**

5.1 The Committee has agreed the 2013 business cycle and schedule of meetings for 2013.

5.2 The Committee recommended to Council that the authority to sign any further engagement letters for the internal and external auditors be delegated to the Chair of the Council on the proviso that they are reported to the Committee.

5.3 In May 2012 the Committee requested that a report be included on the agenda of every October meeting regarding member learning and development.

5.4 The Committee agreed renewal of membership to the CIPFA better governance forum network in October 2012. However, during the 2012/13 period only one member attended a CIPFA course, therefore moving forward consideration will need to be given as to whether the membership should be renewed again.
6. **Assurance since March 2013**

6.1 At the May 2013 the Committee reviewed the statutory annual report and financial statements before submission to the Council and in doing so focussed on the internal audit reports presented to the meeting and the external auditors’ Key Issues Memorandum and draft report in the accounts, together with the verbal assurances given at the meeting. The Committee noted that the internal auditors had assessed the GPhC’s systems of governance, risk management and internal control and were of the opinion that they gave a reasonable level of assurance except for specific areas relating to external communications, registration, evidence management and standards advice and information in respect of which a limited overall assurance opinion was given. The Committee noted that actions were in hand to mitigate those areas.

6.2 With regard to the external audit, the Committee asked detailed questions that prompted management to consider minor changes to certain of the notes to the accounts and the text of the report. The Committee noted the assurances that the financial statements gave a true and fair view of the GPhC’s affairs as at 31 March 2013.

6.3 The Committee discussed the Chief Executive’s statement on internal control, following which the Chief Executive was minded to make some minor changes.

6.4 The Committee recommended that Council should approve it, subject to some minor typographical changes. The Committee also recommended the reappointment of the external auditors, Grant Thornton after discussing the timescale for reviewing the appointment of the external and internal auditors.
## Audit & Risk Committee Meetings and Attendance February 2012 to March 2013.

<table>
<thead>
<tr>
<th>Committee meeting</th>
<th>2 February 2012</th>
<th>29 May 2012</th>
<th>11 October 2012</th>
<th>27 February 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Flook (Chair)</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Cathryn Brown</td>
<td>X</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Keith Wilson</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Judy Worthington</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Hilary Daniels</td>
<td>✔</td>
<td>X</td>
<td>✔</td>
<td>X</td>
</tr>
</tbody>
</table>
Audit and Risk Committee meeting: note of decisions

Purpose
To note the decisions of the Audit and Risk Committee meeting on 30 May 2013.

Action required

The Council is asked to note the outcome of the Audit and Risk Committee meeting held on 30 May 2013.

1.0 Background

1.1 The Council’s Audit & Risk Committee met on 30 May 2013. Because of the tight timescale between that meeting and distribution of papers for Council, the unconfirmed minutes are not yet available. Appendix 1 sets out the decisions made by the Committee during that meeting.

1.3 The unconfirmed minutes will be circulated to Council for noting at its next meeting in September. This forms part of the assurance which the Committee provides to the Council and to ensure that the Council remains aware of the Committee’s activities.

Paula Woodward
Council Secretary
General Pharmaceutical Council
paula.woodward@pharmacyregulation.org, tel 020 3365 3522
6 June 2013
Audit and Risk Committee 30 May 2013

Note of decisions

This document summarises the decisions made by the Audit and Risk Committee at its meeting of 30 May 2013. It is not a formal record of the meeting.

1. **Attendance and introductory remarks**
   There were no apologies

2. **Declarations of interest**
   There were no declarations of interest.

3. **Minutes of last meeting**
   The Committee agreed the minutes of the meeting held on 27 February 2013.

4. **Matters arising and action log**
   The Committee noted the action log.

5. **Risk management review**
   The Committee considered the latest version of the risk register and asked a number of questions relating to the risks in it and the perceived risks not in it. The Committee requested that a paper focussing on the various IT projects and the related risk and capacity issues be reported to the next meeting. It further requested that consideration be given to a programme of detailed scrutiny of risk such as that recently undertaken for the statutory committees and for information security. Paper 06.12/C/09 (Strategic review of risks) reflects the Committee’s main comments.

6. **Internal audit progress reports**
   The Committee reviewed a number of internal audit reports including the Annual Internal Audit Report for the year 2012-13 and the Internal Audit Follow-up Report. The Committee asked the staff present to provide verbal updates on the three high priority findings highlighted in the reports: two relating to data/information security and one to evidence management. The Committee requested that in future the reporting, whether from management or the internal auditors, should reflect progress in reaching milestones that were close in time. It should also clearly highlight management’s response to the internal auditors’ observations.

   The Committee noted that the internal auditors had assessed the GPhC’s systems of governance, risk management and internal control and were of the opinion that they gave a reasonable level of assurance except for specific areas relating to external communications, registration, evidence management and standards advice and information in respect of which a limited overall assurance
opinion was given. The Committee noted that actions were in hand to mitigate those areas. The Committee noted the internal audit reports.

7. **Audit & Risk Committee annual report to Council**
The Committee reviewed the draft report covering February 2012 to March 2013 and noted it still did not provide sufficient information on the Committee’s added value including the challenges to management through the year. The Committee suggested that the report use the Committee’s terms of reference as a framework and include additional information such as some context from internal audit reports and the opinion of the internal and external auditors.

The Committee noted that due to the tight timescale between the meeting and the dispatch of Council papers the report would be re-drafted with the amendments circulated among the Committee and approved by the Chair.

The Committee agreed that at the following meeting it would give guidance to management on the format of future annual reports of the Committee.

The Committee reviewed the draft combined Annual Report and Accounts and was of the view that the report gave a good flavour of the GPhC’s activities in a way that was easy to read. The external auditors, Grant Thornton, presented the financial report and Key Issues Memorandum. The auditors reported that no major issues had been found but that two issues (one relating to the Department of Health grants, the other to HMRC being listed as a debtor) should continue to be monitored closely. The Committee asked detailed questions that prompted management to consider minor changes to certain of the notes to the accounts and the text of the report. The Committee noted the assurances that the financial statements gave a true and fair view of the GPhC’s affairs as at 31 March 2013.

The Committee discussed the Chief Executive’s statement on internal control, following which the Chief Executive was minded to make some minor changes.

The Committee discussed the draft combined annual report and accounts and recommended that Council should approve it, subject to some minor typographical changes. The Committee also recommended the reappointment of the external auditors, Grant Thornton after discussing the timescale for reviewing the appointment of the external and internal auditors.

9. **Standing financial instructions**
The Committee considered the revised SFIs and recommended their adoption by Council. The Committee noted that one of the revisions, namely that in 10.2.3, reflected an observation of the internal auditors regarding the number of tenders sought during tendering exercises.

10. **Information Security update**
The Committee heard a detailed update on work ongoing to gain ISO 27001
certification. It requested an action plan at next meeting and indicated it wanted to be assured from time to time that the implementation was on track. It noted the paper.

11. **Any other notified business**
The Committee agreed that future meetings should start at 2pm.

12. **Private meeting of auditors and Committee, if requested**
The Committee held a brief private meeting with the internal and external auditors.
Public business

Audit and Risk Committee meeting: note of decisions

Purpose
To note the decisions of the Audit and Risk Committee meeting on 30 May 2013.

Action required
The Council is asked to note the outcome of the Audit and Risk Committee meeting held on 30 May 2013.

1.0 Background

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Paula Woodward
Council Secretary
General Pharmaceutical Council
paula.woodward@pharmacyregulation.org, tel 020 3365 3522
6 June 2013
Audit and Risk Committee 30 May 2013

Note of decisions

This document summarises the decisions made by the Audit and Risk Committee at its meeting of 30 May 2013. It is not a formal record of the meeting.

1. **Attendance and introductory remarks**
   There were no apologies

2. **Declarations of interest**
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11. **Any other notified business**
The Committee agreed that future meetings should start at 2pm.

12. **Private meeting of auditors and Committee, if requested**
The Committee held a brief private meeting with the internal and external auditors.
Council meeting 13 June 2013  06.13/C/13

Public business

Council Appointments 2014

Purpose
To update the Council on the progress made in relation to the 2014 Council appointments process.

Recommendation
The Council is asked to note the progress made in relation to the 2014 Council appointments process.

1.0 Introduction

1.1 A progress report was presented to the April 2013 Council meeting on the work of the 2014 Council appointments working group (‘the Working Group’) - paper 04.13/C/11.

1.2 The Council was informed that the advance notice of intent documentation would be submitted to the Professional Standards Authority for Health and Social Care (PSA) the following day, which was done.

2.0 Key points

2.1 On 25 April 2013, the PSA raised a number of queries relating to various aspects of the process proposed. Most of the comments were improvements.

2.2 The Working Group reconvened to approve some minor changes to the selection panel terms of reference and one of the essential criteria for the chair that were considered beneficial following receipt of the PSA’s queries.
2.3 On 8 May 2013 the PSA confirmed that it had approved the 2014 appointments process. On 19 May 2013 the appointments process began with an advert in the Sunday Times.

2.4 The Working Group has completed its work. GatenbySanderson and the Chair selection panel are now beginning their work.

2.5 It is not expected that this exercise will be repeated in 2014. The gap will be used to bring forward to Council proposals for a comprehensive review of the approach to making these appointments, as well as the process itself.

3.0 **Equality and diversity implications**

3.1 Efforts have been made to reach potential candidates from a wide range of backgrounds. The Council’s wish to attract the most diverse field of expressions of interest and applications has been at the front of the Working Group’s mind when considering the application process, the language used and the marketing and search strategy for these vacancies.

3.2 We have also paid attention to the Council’s position as a Great Britain regulator operating in a devolved context. One of the selection panel members is a registrant from Scotland and print advertising is running in both Wales (in English and Welsh) and Scotland.

4.0 **Communications implications**

4.1 A communications and advertising schedule has been established.

5.0 **Resource implications**

5.1 The cost of the appointments process has been included in the relevant budget.

6.0 **Risk implications**

6.1 A risk register has been established and will be maintained throughout the process.

**Recommendations**

The Council is asked to note the progress made in relation to the 2014 Council appointments process.
Judy Worthington, Chair of the Working Group

Alison Readman, Interim Head of Governance
General Pharmaceutical Council
alison.readman@pharmacyregulation.org, tel 020 3365 3450

20 May 2013
Public business

Council Business Schedule

Purpose
To note the business schedule for Council meetings and workshops from September 2013 to December 2013.

Recommendation

The Council is asked to note the proposed business schedule as attached for the period from September to December 2013.

1.0 Introduction

1.1 In late 2012 it was noted that Council Members would like a greater awareness of forthcoming Council business. Accordingly the Council are being asked to note the business schedule attached setting out planned business for the period from September 2013 to December 2013.

2.0 Key considerations

2.1 It is good business planning to know what issues will be considered by the Council in advance. Having access to the planned business schedule will enable Council members to identify if any topics they consider as priorities for the GPhC have been timetabled and if not, to raise this with the Chair of Council.

2.2 In noting the attached business schedule the Council is asked to recognised that the schedule attached is a ‘living’ document and is subject to change.
Recommendation

The Council is asked to note the proposed business schedule as attached for the period from September to December 2013

Alison Readman, Interim Head of Governance
General Pharmaceutical Council
alison.readman@pharmacyregulation.org, tel 020 3365 3503

28 May 2013
<table>
<thead>
<tr>
<th>Cyclical items</th>
<th>Non-cyclical items</th>
</tr>
</thead>
</table>
| **Council workshop**  
Wednesday 18 July 2013 | **Council meeting**  
Thursday 12 September 2013 |
| − Strategic plan to be approved 2013-2016  
− Business cycle and Council and committee schedule for 2013  
− Performance monitoring  
− CHRE Annual Performance Review for 2011-2012 for noting  
− CE&R report | − Review of standing financial instructions (referred from ARC)  
− Deputising arrangements for Chair of Council – new rota  
− Registered pharmacies rules – approval of consultation  
− Education priorities and strategy for 2013-16  
− Draft consultation report with final version of rules  
− Revalidation (TBC)  
− Indemnity arrangements for GPhC registrants  
− Francis report update |
| **Council workshop**  
Wednesday 10 October 2013 | **Council meeting**  
Thursday 15 November 2013 |
| − Performance monitoring  
− Strategic review of risks  
− CE&R’s report  
− Council business cycle  
− Unconfirmed minutes of Audit & Risk Committee – for noting  
− Unconfirmed minutes of Remuneration Committee – for noting  
− Annual performance review of Council – assurance item | − Remuneration Committee recommendations (if any)  
− Audit & Risk Committee recommendations (if any) |
| **Council workshop**  
Wednesday 12 December 2013 |
Council meeting 13 June 2013

CONFIDENTIAL ITEMS

20. MPharm accreditation report and decision
21. Appointments Committee membership
22. Unconfirmed minutes of the Remuneration Committee