Audit & Risk Committee unconfirmed minutes

Purpose
To note the unconfirmed minutes of the Audit & Risk Committee.

Action required
The Council is asked to note the unconfirmed minutes of the Audit & Risk Committee meeting held on 29 October 2010.

1.0 Background
1.1 The Council’s Audit & Risk Committee held its first formal meeting on 29 October 2010. Unconfirmed minutes of that meeting are attached at Appendix 1. These have been circulated to members of the Committee for comment but will not be confirmed until the Committee meets next in February 2011. The unconfirmed minutes are circulated to the Council for noting as part of the assurance which the Committee provides to the Council and to ensure that the Council remains aware of the Committee’s activities.

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29 November 2010
Unconfirmed Minutes of the Audit and Risk Committee Meeting held on 29 October 2010 at 129 Lambeth Road, London SE1 7BT at 1.00pm

Present

Cathryn Brown
John Flook (Chair)
Keith Wilson
Judy Worthington

In attendance

Duncan Rudkin (Chief Executive & Registrar)
Christine Gray (Head of Governance)
Bernard Kelly (Director of Resources and Corporate Development)
Gavin Perkins (Head of Finance)

Attendance & Chair’s Introductory Remarks

1 The Chair welcomed members and staff to the first formal meeting of the Committee. There were no apologies.

Declarations of Interest

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

Matters Arising and Outstanding Action Points

3 There was a need to assess any further training needs of committee members.

4 The Committee commented that the Audit & Risk workshop held that morning had been generally helpful, particularly in promoting a shared understanding of the roles of the Council, Committee and staff in risk management.

Standing Orders

5 Christine Gray (CG) presented paper 10.10/ARC/01 on Standing Orders.

5.1 The Committee noted the Standing Orders.
TERMS OF REFERENCE

6 Duncan Rudkin (DR) introduced paper 10.10/ARC/02 seeking the Committee’s agreement to propose revised terms of reference (ToRs). The Committee discussed the proposed ToRs and noted the existing remit. DR explained that the revised ToRs had been produced following the informal meeting of Committee members in July.

7 It was agreed that:

7.1 the Committee note the current remit;

7.2 the revised ToRs be proposed to Council.

MEETING AND BUSINESS CYCLE

8 Bernard Kelly (BK) introduced paper 10.10/ARC/03 seeking agreement on the cyclical agenda items and meetings schedule for the Committee. BK explained that the proposed items and schedule were linked to the Council’s schedule.

9 It was agreed that:

9.1 subject to timetable discussion with the external auditors and confirmation of the May meeting date with Committee members, the proposed cyclical agenda items and meetings schedule be approved.

RISK MANAGEMENT IN THE GPhC

10 DR introduced paper 10.10/ARC/04 asking for the Committee’s comments on the Risk Management Guide. DR highlighted some aspects of the risk management approach and said that the document would be revisited in light of comments from the A&R workshop.

10.1 The Committee discussed the document and the consensus was that the focus must be on risks to the achievement of the strategic objectives. The Committee endorsed the high level approach and welcomed the brevity and use of plain English in the document. The Committee agreed that there should be one risk register for the organisation and that the Committee and the Council would have different roles in reviewing risks, with the Council’s focus being on a strategic review of ‘red’ risks and ‘amber’ risks where the residual risk was not reducing. The review paper prepared for the Council would be informed by the Committee’s consideration of the risk register.
11. **It was agreed that**

11.1 the Risk Management Guide as revised should form part of the assurance framework and be published on the website and circulated with the minutes of the meeting (Appendix 1).

**REVIEW OF RISK REGISTER**

12. DR introduced paper 10.10/C/05 asking for the Committee’s consideration of the Risk Register. DR explained that the document was the latest of several iterations. It had also been validated through a zero-based risk discussion at the management group, as well as being regularly reviewed and updated by the executive team.

12.1 The Committee discussed the document and suggested the need to review whether the register captured explicitly enough the external risks which could impact on the GPhC objectives.

12.2 Suggestions were made for improving the format of the register, in terms of IT and layout. The approach to the risk register was generally endorsed and it was felt that the level of detail and information were about right, although there were a number of cases where a fuller explanation of the mitigating actions might be helpful, possibly by way of cross references to specific policy work or management projects.

12.3 The Committee were asked if the register provided reasonable assurance that management was not ignoring significant areas of risk and had covered the main risk areas. The Committee was also asked if the register provided a reasonable basis for discussions on audit priorities. The Committee confirmed these points and felt the risk register would evolve as the organisation develops.

13. **It was agreed that:**

13.1 a further version of the Risk Register would be produced incorporating the comments made by the Committee, and be shared with the internal auditors at an early stage.

**REVIEW OF STANDING FINANCIAL INSTRUCTIONS**

14 BK introduced paper 10.10/ARC/06, asking the Committee to review the Standing Financial Instructions (SFIs). BK explained that SFIs were 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 Council had agreed SFIs for the GPhC in April 2010 and asked that the Audit &
Risk Committee, once established, should review them at an early stage in its work.

14.1 The Committee discussed the document and confirmed that no significant issues had arisen from the operation of the SFIs to date, although not all the relevant arrangements were fully in place.

14.2 The consensus was that the Committee was content with the SFIs as presented, subject to the office reviewing the reference to special payments in section 15.

APPOINTMENT OF EXTERNAL MEMBER

15 CG informed the Committee that interviews for the external member of the ARC were taking place on the 9th November and that the result will be reported to the Committee.

INTRODUCTORY MEETING WITH EXTERNAL AUDITORS

16 The Committee was informed that the external auditors would be invited to attend the February meeting.

There being no further business, the meeting closed at 3.02 pm

Date of next meeting – 9 February 2011