

## Audit Committee

### Public minutes of the 44<sup>th</sup> meeting of the Audit Committee held on:-

**Date:** Tuesday 28 November 2013

**Time:** 10:30 am

**Venue:** The Council Chamber, Health and Care Professions Council, Park House,  
184 Kennington Park Road, London SE11 4BU

**Present:** Jeff Lucas (Chair)  
Julia Drown  
Joy Tweed

### **In attendance:**

Alan Carr, Interim Director of Finance  
Roy Dunn, Head of Business Process Improvement  
Claire Gascoigne, Secretary to the Committee  
Kate Mathers, National Audit Office  
Charlotte Milner, Head of Financial Accounting  
Greg Ross-Sampson, Director of Operations  
Marc Seale, Chief Executive and Registrar  
James Sherrett, Mazars LLP  
Anna van der Gaag, Council Chair

**Item 1.13/56 Apologies for absence**

1.1 There were no apologies for absence.

**Item 2.13/57 Approval of agenda**

2.1 The Committee approved the agenda.

**Item 3.13/58 Declarations of members' interests**

3.1 Committee members declared an interest in item 17 on the agenda.

**Item 4.13/ Minutes of the Audit Committee meeting of 26 September 2013  
(report ref: AUD 36/13)**

4.1 It was agreed that the public minutes of the 43rd meeting of the Audit Committee should be confirmed as a true record and signed by the Chair, subject to the inclusion of Richard Kennett under apologies for absence.

**Item 5.13/60 Matters arising (report ref: AUD 37/13)**

5.1 The Committee received a paper to note from the Executive.

5.2 The Committee noted the actions list as agreed at the last meeting.

**Item 6.13/61 Business Process Improvement report (report ref: AUD 38/13)**

6.1 The Committee received a report summarising business process improvement work.

6.2 The Committee noted the following points;

- two further near miss incidents have been declared since this Committee's last meeting. A summary report of all Near Miss Reports will be presented later in today's agenda;
- BSI audited the Policy, Registrations UK applications and employee training, HR and Partners areas on 7<sup>th</sup> October 2013. No areas of non-conformance were found;
- this years all employee information security CBT package is now live. The package for partners goes live this week;
- adjustments to how documents are printed around the organisation are being evaluated, and security improvements developed;
- a clear desk policy is being developed for the organisation. This will form part of the Information Security Management System; and

- the tendering process for the security print contract commenced and the PQQ has been published.

6.7 The Committee noted the report.

6.4 The Committee noted the report.

**Item 7.13/62 Near Miss summary report (report ref: AUD 39/13)**

7.1 The Committee received a report outlining the process and methodology that makes up Near Miss Reporting (NMR) at the HCPC.

7.2 The Committee noted the following points;

- a near miss is defined as an event that has the potential to damage the reputation of HCPC;
- near miss reporting forms part of ISO9001:2008 which requires Corrective and Preventive actions to be undertaken to react to errors or deficiencies in processes where they have been seen to occur;
- the Finance and Resources Committee are regularly updated on NMR incidents as part of the Operations management report; and
- the increase in registrant and employee numbers has not correlated to an increase in NMRs.

7.3 The Committee discussed how employees are encouraged to report incidents. It was noted that the near miss process is not designed to assign blame for errors, but is designed to help the organisation prevent recurrence. Very few HR issues have arisen from NMR's. In the event that an HR issue is identified, the report would be presented to the Committee under the private agenda.

7.4 The Committee noted the report.

**Item 8.13/63 BSI Report (report ref: AUD 40/13)**

8.1 The Committee received a report detailing the results of a recent BSI audit.

8.2 The Committee noted the following points;

- The Registrations department was audited (UK Applications process, new employee training and monitoring), along with Policy & Standards, HR Partners (Partner validation) and HR Employees

(Staff development & training). All areas had been internally audited in advance.

- The next cycle of auditing commences in April 2014, a timetable for this cycle is provided within the report.

8.3 The Committee discussed the audit methods of the BSI. It was noted that the BSI audit differs somewhat from Mazars internal audits, which are more intensively focused.

8.4 The Committee noted some typographical errors within the document along with some errors of fact. The Committee requested that the Executive feed this back to BSI.

8.5 The Committee noted the report.

**Item 9.13/64 Education Systems Build Project Risk Register (report ref: AUD 41/13)**

9.1 The Committee received a report for discussion from the Executive.

9.2 The Committee noted that, at its meeting on 29 September 2013, it was agreed that the Committee should receive the Education Systems Build project risk register, in order to discuss the contents of such risk registers.

9.3 During discussions the committee noted the following points:-

- the Education Systems Build Project aims to replace a suite of old access databases and excel sheets with a bespoke database which will streamline education internal processes. This database will be based on Microsoft Dynamics CRM;
- the HCPC uses Prince2 as its standard project management methodology;
- risk identification is a key element of a project and starts at the beginning of the project management process. These risks are taken into account when considering whether a project is viable;
- a project risk register is a live document which is continuously updated as the project progresses;
- a lessons learnt report is completed at the close of a project; and
- projects that are considered to be 'high risk' are included on the corporate risk register, which the Audit Committee regularly receives. The financial aspect of project management is reviewed by the Finance and Resources Committee.

- 9.4. The Committee considered if project risk registered should be regularly brought to its meetings. It noted that the National Audit Office had in the past suggested that the consideration of these registers would be an area where the Committee could add value. The Committee agreed that that any decision to change practice should be deferred until the restructured Audit Committee meets in 2014.
- 9.5 The Committee noted the report.

**Item 10.13/65 Risk presentation (report ref: AUD 42/13)**

- 10.1 The Committee received a verbal report outlining the risks and mitigations in place with regards to Partner Management at the HCPC.
- 10.2 During discussions the Committee noted the following points;
- a recruitment strategy is in place to ensure that there are always enough Partners trained to meet the HCPC's needs;
  - the Partner Management team encounters some challenges with the smaller professions, and engages much more targeted advertising for these groups, as well as recruiting more Partners than vacancies if suitable candidates are available;
  - there is a staggered partner agreements model across all professions for Panel Member and Panel Chairs to ensure adequate supply in line with the eight-year rule;
  - a regular appraisal system is in place for all partners, this follows a self and peer assessment model. There is also a Partner Complaints Process in place in addition to a Partner Code of Conduct; and
  - the Partners Management team is also currently involved with the HR and Partners Systems Build project that aims to streamline current processes for increased efficiency.
- 10.3 The Committee discussed the merits of the Partner self-assessment appraisal system. It was noted that due to the size of the Partner population, HCPC led assessment would not be cost effective.
- 10.3 The Committee noted the report.

**Item 11.13/ Internal audit report: Business Continuity (report ref: AUD 43/13)**

- 11.1 The Committee received a report detailing the results of a recent internal audit of the HCPC's disaster recovery and business continuity planning arrangements.
- 11.2 The Committee noted that the last internal audit review of HCPC's overall Disaster Recovery and business continuity arrangements was undertaken by the previous internal auditors in 2010-11 and provided a 'Sound to date' opinion.
- 11.3 The Committee noted the following points
- the audit confirmed the mitigating actions referred to in the HCPC's risk register in respect of the areas reviewed are in place and operating effectively;
  - Mazars has concluded that the control framework for disaster recovery and business continuity planning provides substantial assurance that risks material to the achievement of HCPC's objectives are adequately managed and controlled; and
  - one housekeeping recommendation was made relating to alternative methods of version control and distribution of the Business Continuity Plan.
- 11.4 The Committee noted the report.

**Item 12.13/67 Internal audit progress report (report ref: AUD 44/13)**

- 12.1 The Committee received a paper for discussion/approval from the Executive.
- 12.2 The Committee discussed the progress of the internal audit of Partner expenses. It was noted that Mazars will meet with the Executive to agree the terms of reference for the audit in January 2014.
- 12.3 The Committee noted the report.

**Item 13.13/68 Internal audit review of recommendations (report ref: AUD 45/13)**

- 13.1 The Committee received a paper for discussion/approval from the Executive.
- 13.2 The Committee thanked the Executive for their commitment in taking forward the recommendations made by the internal auditor.
- 13.3 The Committee noted the report

### **Item 14.13/69 Any other business**

- 14.1 The Council Chair and Chief Executive thanked the Committee for their commitment and enthusiasm in looking in depth at the HCPC. Particular thanks were given to the Chair of the Committee for his service.

### **Item 15.13/70 Date and time of next meeting**

- 15.1 The next meeting would be held at 10.30 am on Thursday 20 March 2014.
- 15.2 Subsequent meetings would be held at 10.30 am on:
- Tuesday 24 June 2014  
Thursday 9 October 2014

### **Resolution**

The Committee agreed to adopt the following resolution:

‘The Committee hereby resolves that the remainder of the meeting shall be held in private, because the matters being discussed relate to one or more of the following;

- (a) information relating to a registrant, former registrant or applicant for registration;
- (b) information relating to an employee or officer holder, former employee or applicant for any post or office;
- (c) the terms of, or expenditure under, a tender or contract for the purchase or supply of goods or services or the acquisition or disposal of property;
- (d) negotiations or consultation concerning labour relations between the Council and its employees;
- (e) any issue relating to legal proceedings which are being contemplated or instituted by or against the Committee or the Council;
- (f) action being taken to prevent or detect crime or to prosecute offenders;
- (g) the source of information given to the Committee in confidence; or
- (h) any other matter which, in the opinion of the Chair, is confidential or the public disclosure of which would prejudice the effective discharge of the Committee’s or Council’s functions.’

<b>Item</b>	<b>Reason for Exclusion</b>
16	B
17	H

### **Summary of those matters considered whilst the public were excluded**

### **Item 16.13/71 Private minutes of the Audit Committee of 26 September 2013**

**(report ref: AUD 46/13)**

The Committee agreed that the private minutes should be confirmed as a true record and signed by the Chair.

**Item 17.13/72 Tax & National Insurance Considerations (report ref: AUD 47/13)**

The Committee discussed a piece of advice received from its internal auditor.

**Item 16.13/73 Any other business**

There was no other business.

**Chair**

**Date**

Unconfirmed