

HEALTH PROFESSIONS COUNCIL

AUDIT COMMITTEE

MINUTES OF PRIVATE MEETING

**of the Audit Committee held at the Novotel,
53-61 Southwark Bridge Road, London, SE1 9HH on Tuesday 22nd July 2003**

PRESENT

Dr Sandy Yule, Chairman
Ms Ann Foster
Mrs Jackie Stark
Mr Daniel Ross (co-opted)

Mr David Robinson (BDO Stoy Hayward)

Mr Paul Baker FCA (Secretary)

The Chairman welcomed Mr David Robinson of BDO Stoy Hayward

AUD02/008 APOLOGIES FOR ABSENCE

8.1 There were no apologies for absence.

AUD02/009 APPROVAL OF AGENDA

9.1 The Draft Agenda was adopted as the Agenda for the Meeting.

**AUD02/010 APPROVAL OF MINUTES OF THE MEETING OF COMMITTEE
HELD ON 20th May 2003.**

10.1 The minutes were approved and signed by the Chairman.

AUD02/011 MATTERS ARISING (not otherwise dealt with on the Agenda)

11.1 It was noted the security considerations with regard to the bank overdraft facility had not yet been completed but the facility was expected to be granted by the end of the week.

11.2 It was noted that Council had ratified the recommendation with regard to tendering and quotes.

AUD02/012 REVIEW OF AUDIT 2002/3

- 12.1 The Chief Executive and Registrar had asked each committee to consider the major projects covered over the past year with regard to what went right, secondly what went wrong and lastly lessons that should be learnt.
- 12.2 The planning and execution of the audit from BDO Stoy Hayward (BDO) had gone well and all the work was completed satisfactorily within set time scales.
- 12.3 David Robinson commented on the additional work and effort required to produce the final version of the accounts. Much of this had come from the Accounts Direction received belatedly from the Privy Council and the requirements from the National Audit Office (NAO), which despite the favourable comments received from Mr Corbishley at the previous meeting, were particularly onerous and time-consuming. This particularly referred to the inclusion of comparative figures from the prior (CPSM) year, which we had unsuccessfully resisted, and the inclusion of senior staff salaries, which was successfully resisted. There were many other textual additions required in the final version (Version 9) of the accounts.
- 12.4 The NAO's review of BDO's files went well once initial permission had been granted. BDO had had to resist the NAO's possible commentary on their audit procedures within a report to Parliament.
- 12.5 Mr Robinson believed that the NAO should have got involved much earlier as they should have been aware of HPC's existence and requirements. HPC had had to induce their involvement and indeed the official appointment of the Chief Executive and Registrar as Accounting Officer and the receipt of the Accounts Direction. This indicated that HPC needed to account as if it was a non-Departmental Public Body (NDPB) of the Department of Health, even though it was not one.
- 12.6 The lessons to be learnt included the involvement of the NAO in the planning stages of the audit in future and for us to acquaint ourselves of any government accounting methodology changes well in advance of the preparation of the annual accounts.

AUD02/013 INTERNAL AUDIT PROGRAMME 2003/4

- 13.1 The Committee had previously agreed that the two items for review by the Internal Audit Department of BDO Stoy Hayward this year were Income from Registrants and Payroll. Mr Robinson outlined the work that was to be undertaken as follows.
- 13.2 Income from Registrants
- BDO had provided some input into the LISA project and were generally happy with the way the system had been constructed and the controls in place. They would now test the operation of the system and the way income was recorded and treated in the accounts, apportioned over the 2-year fee cycle. This would involve checking from the Register, invoicing and collection and reconciliation to bankings. They would check the time scale

for processing new joiners. It was noted that testing to see whether everyone who should be registered was registered was almost impossible. It was a requirement for NHS employment that practitioners were registered but those exclusively in private practice might be more difficult to trace. There would always be some rogues who might eventually come to light.

13.3 Payroll

Work would be undertaken to ensure that all those on the payroll were being correctly paid in accordance with their authorised salary rates. BDO would track the appointment, rates of pay, inclusion on the payroll, deduction and payment over of such items as National Insurance and Pension contributions, together with the correct allocation of payroll cost in the accounts.

13.4 BDO would provide a detailed report to the next meeting of the Committee.

AUD02/014 ANY OTHER BUSINESS

14.1 There was no Any Other Business

AUD02/015 DATE AND TIME OF NEXT MEETING

7.1 The next meeting was confirmed as Thursday 20th November at 9.0 a.m. at Park House. The principal purpose of the meeting would be to review the internal audit work that had been undertaken since the last meeting and also to plan the year end audit work.

Signed (Chairman)

Date