

Audit Committee 5 December 2007

HPC's Accounts 2006 - 2007 - Approval by the National Audit Office

Executive summary and recommendations

Introduction

This paper updates the Audit Committee on the process to gain approval from the National Audit Office (NAO) for the 2006-7 Accounts of the Health Professions Council (HPC). To date approval has not been gained despite the good efforts of the Department of Health (DH), the NAO and the Privy Council. The long delay is frustrating as Baker Tilly approved and dated our accounts in July 2007 and the NAO will date the accounts when they sign them.

This paper was drafted on 22 November and the Committee will be updated on 5 December if there have been any recent developments.

Existing Situation

The 2006-7 Accounts of the HPC have been audited by Baker Tilly and the NAO. However, the NAO sought confirmation from the HPC via a Letter of Representation that approval had been obtained for a severance payment in line with guidance on non-standard transactions in section 4.11 and 4.14 of ***Managing Public Money*** (MPM) issued by HM Treasury for Non Department Public Bodies (NDPB). The Office of National Statistics confirmed in writing on 2 July 2007 that the HPC is classified as a "Public Sector" for national accounts purposes. HM Treasury also confirmed in writing on 15 October 2007 that the Privy Council letter dated 21 May 2003 appointing the Registrar and Chief Executive of the HPC as Accounting Office required the HPC to follow their guidance for Audit purposes even though the HPC was not a NDPB.

It should be noted that currently the Chief Executive and Registrar of the HPC does not receive Dear Accounting Officer (DAO) Guidance.

31 October meeting

The NAO arranged for a meeting to take place with the Executive of the HPC, HPC's solicitors Jonathan Bracken, the Department of Health (DH) and the Privy Council. HM Treasury were unable to attend the meeting but were contactable by telephone. The meeting agreed that the solution to the problem was for the HPC to write to the DH as HPC's Sponsoring Body requesting them to seek approval from the Treasury.

DH Approval

On the 13 November the DH wrote to the HPC to inform us that their Finance Division would not send the HPC request for approval to HM Treasury as the HPC was not a NDPB. However, Ros Mead of the DH's Regulatory Branch volunteered to complete an application form used by NHS Trusts for similar

approval requests. HPC subsequently provide additional information to enable this to be undertaken. It should be noted that the Regulatory Branch of the DH is currently finalising both new Health Bill and two large health professions Section 60 Orders.

Other Issues

The Westminster Parliament winter recess starts on 18 December and finishes on 9 January 2008

Dear Accounting Officer Guidance

The Privy Council has to date been unable to persuade HM Treasury to issue the HPC with Dear Accounting Officer Guidance. The Privy Council is seeking an alternative solution from HM Treasury.

Revised Accounting Officer Letter

A long term solution may be for the Privy Council's letter appointing HPC's Chief Executive as the Accountable Officer to be revised. The Privy Council is investigating this solution.

Decision

The Committee is requested to note the document. No decision is required.

Background information

None.

Resource implications

None.

Financial implications

None.

Appendices

None.

Date of paper

22 November 2007

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