

**HEALTH PROFESSIONS COUNCIL**

**AUDIT COMMITTEE**

**MINUTES OF PRIVATE MEETING**

**of the Audit Committee held at Park House, 184 Kennington Park Road, London, SE11  
4BU on Thursday 20<sup>th</sup> November 2003**

**PRESENT**

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

Mr David Robinson (BDO Stoy Hayward)  
Mr Steve Corbishley (National Audit Office)

Mr Paul Baker FCA (Secretary)

The Chairman welcomed Mr David Robinson of BDO Stoy Hayward and Mr Steven Corbishley of the National Audit Office.

**AUD03/016 APOLOGIES FOR ABSENCE**

16.1 There were no apologies for absence.

**AUD03/017 APPROVAL OF AGENDA**

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

**AUD03/018 APPROVAL OF MINUTES OF THE MEETING OF COMMITTEE  
HELD ON 22<sup>nd</sup> July 2003.**

18.1 It was agreed that the minutes be changed to reflect the minutes of the meeting held on 20<sup>th</sup> May 2003 were signed by the Chairman rather than the Vice-Chairman. Subject to this change, it was agreed that the minutes were a true record and were signed by the Chairman.

**AUD03/019 MATTERS ARISING**

19.1 Mr Corbishley commented on minutes 12.1 to 12.6. He was not at the meeting and was not commenting on their accuracy but more on their tone. He felt that phrases such “onerous and time-consuming” and “unsuccessfully

and successfully resisted” were unfortunate and not commensurate with the added benefit the National Audit Office brought to the accounts.

- 19.2 He wished to stress that the National Audit Office were not the rule-setters but had the responsibility of ensuring that accounts were produced in accordance with Treasury Rules. It was unfortunate that the HPC had found out about their obligations in this regard so late and indeed that there was no public service experience amongst the Finance Department staff or indeed within the BDO Stoy Hayward team. It was also unfortunate that the Privy Council had not sent the Appointment Letter to the Accounting Officer until after the year end. It was only then that they indicated that the HPC needed to account as if it was a non-Departmental Public Body (NDPB) and sent the HM Treasury Guidance on the keeping and preparation of accounts for NDPBs.
- 19.3 The meeting AGREED that all parties would move forward and work together productively in future. All agendas of the Committee would be sent to both auditors.

**AUD03/020 CHAIRMANSHIP OF THE COMMITTEE**

- 20.1 It was unanimously RESOLVED that Sandy Yule and Jackie Stark should be Chairman and Vice-Chairman respectively of the Committee for the time being.
- 20.2 It was NOTED that Ann Foster would be resigning from the Committee on 31<sup>st</sup> December 2003. She was resigning from the Health Professions Council at that time to take up another role.

**AUD03/021 REVIEW OF AUDIT 2002/3**

- 21.1 Mr Corbishley of the National Audit Office (NAO) spoke to the Memorandum of Audit Findings, which had been received previously. Bearing in mind the organisation had only completed its first year of operation, there were few points and most of those had been dealt with in the final presentation of the accounts.
- 21.2 The first edition of the accounts included a number of omissions. These had led to a late and extensive redrafting of the accounts which jeopardised the deadline of laying the Accounts before Parliament before the Parliamentary summer recess. It was recommended that those to be involved should receive training in public sector accounting. The NAO would provide a checklist which would allow Finance to ensure that the accounts are in an acceptable format.
- 21.3 It was recommended that the Council should attempt to build a closer working relationship with the Department of Health and request that the Council are put on circulation lists for “Dear Accounting Officer” (DAO) letters plus any other circulars that would help the Finance function in their role.
- 21.4 The Finance & Resources Committee should review the statement of risks at least six-monthly.

- 21.5 The Council should notify the Treasury of their current position in relation to internal control systems as per DAO(GEN)09/03.
- 21.6 The Council should review the current system of internal control using the pointers in DAO(GEN)09/03 and also take on board the DAO's advice on the format of future Statements on Internal Control.
- 21.7 The Council should incorporate a Statement of Recognised Gains and Losses in all future accounts, be aware of all FRS requirements and make certain adjustments in the Income and Expenditure Account so that Investment Income comes below Operating Profit to enable it be disclosed more readily in the Cash Flow Statement.
- 21.8 The Finance Director confirmed that all of these points had either been addressed or would be addressed before the year end.
- 21.9 The Committee commented that the public service accounting training would be useful and that the whole organisation, including Finance, had been very busy in setting up the organisation in its first year. The HPC would continue to work towards getting everything right.

**AUD03/022 INTERNAL AUDIT REVIEW - PAYROLL**

- 22.1 Mr Robinson presented the report that had been received from the Internal Audit Division of BDO Stoy Hayward. The payroll system had been found to be operating satisfactorily. There was only one recommendation which was that Autopay forms were signed off by the Finance Director, being independent of the payroll process, prior to despatch. This had been actioned immediately.
- 22.2 The Committee wondered whether individual employees understood the payslips they received each month. It was AGREED that a note should be placed with the next month's payslips, suggesting that anyone who did not understand their payslip should contact the Financial Accountant for assistance.

**AUD03/023 INTERNAL AUDIT REVIEW - INCOME**

- 23.1 The review of the revenue system resulted in three recommendations, none of which were considered to be "of high significance".
- 23.2 Consideration should be given the daily post being opened by more than one member of staff. This was for the staff's own protection as much as a means against potential theft. It was stressed that budget considerations might prevent this. However there were post-opening sessions, where a supervised group opened large batched of registration post.
- 23.3 Refund cheques had been produced but there had been delays in sending them out and they had not been stored safely until despatch. It was agreed that cheques should be despatched as soon as they had been produced. If there was a slight delay, they should be stored in the Finance safe. Responsibility for generating refund cheques had now been temporarily

devolved from the Registration Department to Finance to avoid backlogs arising. The LISA system would be modified so that cheques could be drawn electronically, as opposed to the time-consuming manual production of cheques happening at present.

23.4 Written procedures should be produced as soon as practical. This had been started: it was necessary to help receive ISO accreditation.

**23.5 Internal Audit Responsibility**

The Committee debated whether it was appropriate for BDO Stoy Hayward to undertake both external audit and internal audit work. Mr Robinson explained that there was no conflict of interest as the internal audit staff were totally independent of the external audit staff, with a separate manager and partner. The Committee thought that it would be appropriate for the different partner to present the internal audit reports in future.

**AUD03/24 TIMETABLE FOR ANNUAL ACCOUNTS 2003/4**

24.1 The timetable as laid out with the agenda was agreed with the exception that the Audit Clearance Date was adjusted to Friday 11<sup>th</sup> June. *(Afternote: the timetable is likely to be adjusted further so that the HPC can hold an annual meeting in July. This in turn will require the accounts to be laid in Parliament for one month from mid-June to mid-July.)*

**AUD03/025 DATE AND TIME OF NEXT MEETING AND MEETING DATES FOR 2004/5**

7.1 The next meeting was confirmed as Wednesday 17<sup>th</sup> March at 9.30 a.m. at Park House. The principal purpose of the meeting would be to review the risk assessment, the external audit strategy and plan for the year end and the internal audit plan for 2004/5.

Signed ..... (Chairman)

Date .....