

**Report to the Council from the Audit & Risk Committee (ARC)  
(Teleconference) meeting of 18 January 2017**

<b>Purpose of paper</b>	To report on the key items considered by the ARC (Teleconference) meeting of 18 January 2017
<b>Status</b>	Public
<b>Action</b>	For noting.
<b>Corporate Strategy 2016-19</b>	<u>Objective 1</u> : To improve our performance across all our functions so that we are highly effective as a regulator.
<b>Business Plan 2017</b>	<i>2017 Priority one: Continue to build a cost effective and efficient organisation</i>
<b>Decision Trail</b>	In accordance with the General Dental Council Standing Orders for the Non-statutory Committees of Council 2015, the ARC will report to the next Council meeting following its meeting.
<b>Next stage</b>	N/A.
<b>Recommendations</b>	<ul style="list-style-type: none"> <li>The Council is asked to note the report of the ARC meeting on 18 January 2017.</li> </ul>
<b>Authorship of paper and further information</b>	Pauline Kemp, Governance Manager <a href="mailto:pkemp@gdc-uk.org">pkemp@gdc-uk.org</a> 020 7167 6204
<b>Appendices</b>	None.

## **1. Executive summary**

- 1.1. In accordance with the GDC's Standing Orders for the Non-statutory Committees of Council 2015, ARC (the Committee) is required to report to the Council meeting following each meeting. This paper reports on the key items considered by the Committee at its meeting on 18 January 2017.

## **2. Items discussed at the ARC meeting on 18 January 2017**

### **2.1. Internal Audit Reports for 2017**

At the time of the meeting, the Committee had only received three of the five internal Audit Reports which were due. The Internal Audit Reports received and considered were as follows:

#### **2.1.1. Quality Assurance Group Report**

The Committee noted the QAG Report had received a rating of Adequate Assurance. There were no substantive grounds for concern by the Committee, but the aim for the next audit would be to attain Substantial Assurance. The ongoing Chairmanship of QAG was noted as a point for clarification at March Council.

#### **2.1.2. Investigating Committee Feedback Report**

The Committee noted the report had received a rating of Substantial Assurance, with no major issues identified. The Committee noted that this was a good example of the Executive and Council working well together, but there was no room for complacency.

#### **2.1.3. Information Technology Report**

The Committee noted the report had received a rating of Substantial Assurance. This was particularly welcome in view of the challenging climate relating to information security.

#### **2.1.4. Project Management Report & Compliance Team Reports**

The Committee noted these two reports had incurred delays and were not delivered on time due to factors including the volume of discussions around the drafts, people availability and meetings for sign off. The Chair had stressed the importance of where there was slippage this should be being addressed with the committee sooner rather than later. It was noted, no significant issues had been identified to date and the reports would be taken to the March ARC meeting.

### **2.2. Annual Report & Accounts**

The Committee reviewed the key financial assumptions and material issues relating to the 2016 Annual Report and Accounts.

The Committee noted the balance to be recovered from HMRC of £0.6M and that the Director of Finance & Corporate Services was optimistic the funds would be recovered. A review of projected fee income had taken place and the Committee noted there were no known issues or risks to bring into question whether the GDC would remain a going concern.

The proposed content for the Governance Statement was reviewed by the Committee, noting a greater emphasis on the plans to address risk, including the findings of adequate or significant assurance from more recent internal audit reports. It was noted that the Statement would also include the journey being taken by the GDC to where it was and where it wanted to be.

The first draft version of the Annual Report and Accounts for 2016 would be brought to the March ARC meeting for consideration.

It was also agreed that the timetabling for the Annual Report and Accounts 2017 would be prepared to a shorter timetable than in previous years.

### **2.3. Year End Strategic Risk Register**

The Committee noted the number of risks remained at 14, with one new entry 'Failure to maintain the PSA standards achieved' and one placed in dormancy 'The online register is not fit for purpose', which would remain on the Operational Risk Register.

Two risks were noted outside risk appetite 'Failure to meet the FtP PSA standards' and 'Failure to maintain the PSA standard achieved'.

The Committee noted that target risk scores were more accurate than those previously set; and that for 2017 a 5 x 6 risk scoring matrix for the Strategic Risk Register (SRR) was to be introduced. The Committee debated whether to change from 12 to a 6 month review of target risk scores, but agreed to continue with a 12 month review, with the Risk Manager bringing to the Committee's attention any increase to target risk scores if identified during the year.

The Committee would have sight of the horizon scanning documents prior to the March Council Workshop in order to review the risk appetite scores assigned last year and feed back any comments accordingly.

The Risk Manager had informed the Committee how the Directorate restructure would be incorporated into the SRR. The Committee were assured this would be closely monitored during the period of transition.

### **2.4. Representation on the FtP Improvement Board**

The Committee noted that due to the meetings being rescheduled Cathie Brady would not be able to represent the ARC at the Board. After discussion, the Committee agreed there was no longer the need to have an ARC representative on the Board as appropriate risk reporting was now in place.