Report to the Council from the Audit & Risk Committee (ARC) meeting of 5 September 2017

<table>
<thead>
<tr>
<th>Purpose of paper</th>
<th>To report on the key items considered by the ARC (Teleconference) meeting of 5 September 2017</th>
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<tbody>
<tr>
<td>Status</td>
<td>Public session</td>
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<tr>
<td>Action</td>
<td>For noting.</td>
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<tr>
<td>Corporate Strategy 2016-19</td>
<td>Objective 1: To improve our performance across all our functions so that we are highly effective as a regulator.</td>
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<tr>
<td>Business Plan 2017</td>
<td>2017 Priority one: Continue to build a cost effective and efficient organisation</td>
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<tr>
<td>Decision Trail</td>
<td>In accordance with the General Dental Council Standing Orders for the Non-statutory Committees of Council 2016, the ARC will report to the next Council meeting following its meeting.</td>
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<td>Next stage</td>
<td>N/A.</td>
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<tr>
<td>Recommendations</td>
<td>• The Council is asked to note the report of the ARC meeting on 5 September 2017.</td>
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<tr>
<td>Authorship of paper and further information</td>
<td>Pauline Kemp, Governance Manager&lt;br&gt;<a href="mailto:pkemp@gdc-uk.org">pkemp@gdc-uk.org</a>&lt;br&gt;020 7167 6204</td>
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<tr>
<td>Appendices</td>
<td>None.</td>
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Executive summary

1. In accordance with the GDC’s Standing Orders for the Non-statutory Committees of Council 2016, 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 5 September 2017.

Items discussed at the ARC meeting on 5 September 2017

2. Chief Executive’s report
   The Chief Executive confirmed that overseas registrant numbers remained positive despite concerns resulting from Brexit, although caution should be exercised in future years. An unexpected relocation from Portman Square to Baker Street, for the GDC’s registration staff, had taken place in August with all costs met by the managing agent. The move demonstrated the importance of the GDC being an agile, flexible and responsive organisation.

3. Review and Lessons Learned from the 2016 Annual Report and Accounts Process
   The Committee discussed the production of the 2016 Annual Report and Accounts. A number of improvements to the process were discussed for implementation for the 2017 Annual Report and Accounts production, which would commence earlier than in previous years.

4. Risk
   - *Strategic Risk Register (SRR):*
     The Head of Risk and Internal Audit presented the Strategic Risk Register for August 2017. There were 11 active risks on the SRR, which included one new strategic risk and two risks recommended for dormancy. The Committee had received a number of enhanced risk documents, leading to Council only receiving key risk paper to allow focus on significant cause for concern to the GDC. Strategic risks were no longer sub-categorised by Directorate to support the breakdown of Directorate silos. The Committee approved the recommendation to take the SRR to September Council.
   - *Corporate Resources Operational Risk Register (ORR) for August 2017:*
     The Head of Risk and Internal Audit presented the Corporate Resources Operational Risk Register. There were 10 active risks, two of these were strategic and also appeared on the SRR. It was noted the ORR was produced with contribution from the risk owners. The Committee approved the Corporate Resources ORR.
   - *Risk Management Framework:*
     The Committee received the new single document to replace the original three documents. The document offered both strategic and operational guidance across the organisation. The Committee recommended further enhancements and would be developed to include Associates and Statutory Committees.

5. Internal Audit Reports - Mazars
   - *Internal Audit Progress Report*
     The Committee received an update on Mazars progress against the 2017 Internal Audit Plan, which was noted as on track.
   - *KPIs: Development and Reporting, June 2017*
     This report achieved Substantial Assurance on its effectiveness of internal controls.
   - *Procurement*
     This report received Adequate Assurance and the Committee discussed the areas for improvement.
   - *Counter Fraud*
     This report received Substantial Assurance
6. **Internal Audit Recommendation Tracker**

The report was received with an update to the internal audit recommendations, which included a dashboard to reflect the details and clearer categorisation of the priority for implementation and which the Committee discussed in detail. The Committee highlighted the importance of implementing the outstanding recommendations.

7. **Penningtons Reports**

The Committee received the Report following a review of FtP decisions. 160 FtP decisions were reviewed and the findings were generally positive with areas for improvement being addressed. It was recognised the report gave a third line of defence and the review gave assurance on decisions taken, with clear indications where improvements could be made.

Further work was being conducted by FtP to increase awareness of the individual at the point of making the initial complaint, to ensure they were aware what a FTP investigation involved from an early stage.

8. **Controls Assurance**

   **Draft 2018 Internal Audit Plan**

The Committee received the report which informed them of the audit assignments requested of Mazars, when producing their 2018 Internal Audit Plan.

It was noted that the Internal Audit Plan and the Compliance Plans were being created using a more collaborative approach.


The Report highlighted the collaborative working across the organisation to promote the sharing of knowledge and expertise.

10. **Taking the Compliance Team Forward**

The Committee received the paper which set out the operational requirements for the compliance functions and how this would be developed across the organisation to develop the risk controls and quality assurance measures. This would be developed further for the next meeting.

11. **Information Governance Q2 Reporting**

    The Q2 Reporting was received by the Committee, together with confirmation staff had received the annual Data Protection refresher training.

    The Committee noted the volume of work generated for staff from Freedom of Information (FOI) requests.

12. **Case Examiners Quality Assurance**

    The Committee received and discussed the paper which provided a summary of the performance of Case Examiners and the quality assurance carried out in Case Examiner decisions during the first six months, following the teams inception in November 2016.

13. **Decision Scrutiny Group (DSG)**

    The Committee received a report summarising the role of the DSG group, which would scrutinise randomly selected decisions across all decision points of the FtP process. The DSG would meet quarterly to assess trends in performance through the Decision Scrutiny Process.

14. **Mandatory Training of Statutory Disclosures (whistleblowing)**

    The Committee received and approved the proposed changes to the whistleblowing policies which were introduced in 2016 and highlighted the GDC’s approach to the new requirement to report certain whistleblowing matters, as the GDC was a ‘prescribed person’.
15. Business Continuity and Disaster Recovery
   The Committee noted that a simulated exercise of a Cyber Attack had taken place and initial feedback was the GDC had fared well.

16. Committee Terms of Reference Review
   The Committee received and reviewed their Terms of Reference and proposed changes noted.

17. Chair’s Farewell
   It was noted this was Alan MacDonald’s last meeting as Chair and he was thanked for his hard work and support for the GDC. The Chair, in turn, thanked the Committee Members’ for their hard work and support during his term.