

## Report to the Council from the Audit & Risk Committee (ARC) meeting of 21 February 2019

<b>Purpose of paper</b>	To report on the key items considered by the ARC meeting on 21 February 2019
<b>Action</b>	To <b>note</b>
<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 2018</b>	N/A
<b>Decision Trail</b>	In accordance with the General Dental Council Standing Orders for the Non-statutory Committees of Council 2018, the ARC will report to the next Council meeting following its meeting.
<b>Next stage</b>	N/A.
<b>Recommendations</b>	The Council is asked to <b>note</b> the report of the ARC meeting on 21 February 2019
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<b>Appendices</b>	None

## **1. Executive summary**

- 1.1. In accordance with the GDC's Standing Orders for the Non-statutory Committees of Council 2018, 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 21 February 2019.

### **Items discussed at the ARC meeting on 21 February 2019**

## **2. Chief Executive's report**

- 2.1. The Chief Executive delivered an oral update which focused on the potential issues and risks around the UK's exit from the European Union.
- 2.2. It was confirmed the Chief Executive had met with heads from a dental school to discuss safeguarding, collaborative working and to ensure graduates were fit for practise.
- 2.3. For wider governance functions, the organisation was looking at terms of reference and delegations, in order to approve their functionality and effectiveness.

## **3. Risk Management Section**

### **3.1. Strategic Risk Register (SRR)**

- 3.2. The Head of Risk and Internal Audit presented the Strategic Risk Register for February 2019 which stated that there were 10 active risks. Since the previous update, no new strategic risks had been identified or recommended for dormancy. However, there were 2 potential risk areas that were being investigated. The first was in relation to the GDCs ability to critique plans or performance in ways that considers the wider implications or unintended consequences of current or planned undertakings. The second was likely to be an operational risk and was in relation to a no deal Brexit interrupting data flow between the UK and the EU, impacting on operational systems or processes (although due to the number of EU based data processors used by the GDC this will be a low scoring risk).
- 3.3. It was also noted that a Council/ EMT risk workshop was scheduled for March 2019. This would focus on re-evaluating the risk appetite for 2019, and to consider alternative ways of evaluating and determining risk appetite.

### **3.4. Risk Assurance topic- procurement and contract management.**

- 3.5. For the deep dive, the Head of Risk and Internal Audit introduced the strategic risks in relation to these areas, their origins and how they had evolved. This was followed by the Head of Finance and Procurement, who presented the detailed control framework, future mitigations and the processes to be implemented. The Committee discussed the different procurement models, next steps and NAO best practice recommendations. It was confirmed that Mazars had been appointed for an internal audit on Contract Management, and the work was due to commence shortly.

## **4. Internal Audit**

- 4.1. The Committee reviewed 3 internal audit reports from Mazars LLP as follows:
  - Equality, Diversity and Inclusion- adequate assurance
  - Customer Services- adequate assurance
  - Associates Management- adequate assurance
- 4.2. The Committee discussed the internal audit follow up report and were happy with the progress and number of recommendations that had been implemented. The Committee discussed the annual internal report and it was noted the level of assurance for all the reviews was amber (adequate). The Committee noted the reduction of significant (red) recommendations and

Limited Assurance (red) assignment ratings. The Committee discussed and approved the operational internal audit plan.

## **5. 2018 Annual Report and Accounts (ARA)- key content**

- 5.1. The Committee were presented with the key content that would feature in the report, including the accounting policies and draft governance statement. It was confirmed that the ARA 2018 would be streamlined to contain only that which was specifically required by legislation. The Committee discussed how previous ARA information was now cascaded through other means, such as Moving Upstream. The Committee approved the ARA 2018 key content.

## **6. Oversight of Case Examiner Feedback**

- 6.1. The Committee received the report which showed feedback received from case examiners via their feedback survey for quarter 4. The team were currently in discussion whether the feedback survey was the most effective method of recording concerns. It was confirmed the team would be exploring further options at the next case examiner meeting to ensure the quality and quantity of feedback remained high.

## **7. Compliance update**

- 7.1. The Committee noted the update of the work undertaken by the team in quarter 4. The Executive sought clarification if the compliance updates were for the Committee to discuss or to note at the end. It was agreed that if the team felt there was an issue, that was required to be drawn to the Committee's attention, the report would be for discussion.

## **8. Scheme of Delegation**

- 8.1. The Committee received and noted an oral update which confirmed work was underway in scoping and scheduling the Council powers and functions, and which could be delegated. A further update would follow at the next meeting.

## **9. Items for noting**

- 9.1. The Committee noted the Information Governance Annual Report and Q4 report.