

**Health Professions Council
Audit Committee 6 December 2006**

Training for the Audit Committee 2007

Executive Summary and Recommendations

Introduction

At its meeting on 12 June 2006, the Committee agreed that it should receive annual training on aspects of its work.

In 2006, training was held on the morning of 10 April 2006 at Baker Tilly's London office. Mr David Blacher of Baker Tilly and Mr Steve Corbishley of the National Audit Office were present. The Chief Executive, Finance Manager, the Secretary to the Council and the Secretary to the Committee also attended. A copy of the programme for the 2006 training day is attached for reference as appendix 1.

An email was sent to members of the Committee, Baker Tilly and the National Audit Office on 27 October 2006 to ask for their suggestions for training. The Chairman, Secretary to the Council, Finance Manager and Secretary to the Committee met on 1 November 2006 to discuss the suggestions, which are summarised in appendix 2.

It is proposed that the 2007 training session should be held on the afternoon of Wednesday 28 February 2007, following that day's Audit Committee meeting. The Committee is due to consider the respective audit strategies from Baker Tilly, the National Audit Office and PKF at that meeting and this would provide a strategic context for training. The suggested timetable for 28 February is laid out in appendix 3.

Due to time constraints on 28 February, it is intended that the proposed session on financial internal controls will be held by the Finance Manager after the committee meeting on 6 December. In addition, on 6 December, Mr Kennett has agreed to talk about the internal controls which auditors look for, and how the committee can assess the auditors' performance.

One member of the committee is unable to attend the training on 6 December and the Executive will contact the member to arrange another date for that training.

Decision

The Committee is asked to agree that the training session should be held on the afternoon of 28 February 2007 and the content of that training.

Background information

None.

Resource implications

None.

Financial implications

Baker Tilly have indicated that they would not charge for a one-hour training session.

PKF have estimated that their preparation time would be about half a day and would charge a fee of £400 on this basis.

Appendices

1. Programme for 2006 training session (for reference).
2. Summary of suggestions for training in 2007.
3. Proposed training on afternoon of 28 February 2007.

Date of paper

17 November 2006.

Appendix 1

Training held on 10 April 2006

HPC AUDIT COMMITTEE TRAINING DAY

9 - 9.30 Coffee

9.30 - 10.00 General Board Training Session - Roles and responsibilities

10.00 - 10.30 Audit Committee - Role, Responsibilities and Remit

- Regulatory background
- Terms of reference
- Delegated duties and powers
- Reporting to the Council
- Composition, skills and experience
- Member induction
- Conduct of meetings
- Assessing performance

10.30 - 11.15 Financial Responsibilities

- Understanding financial information, including statutory accounts
- External audit - what to expect including SAS610 reporting, audit report and management letter
- The Committee responsibilities

11.15 - 11.30 Coffee

11.30 - 12.30 Risk Management and Internal Control

- Risk appetites
- Risk policy
- Risk management process (annual, day-to-day)
- Internal audit - what to expect and the Committee's role in their work
- Communications between internal audit and external audit
- The Statement on Internal Control

12.30 - 12.45 Fraud and Whistleblowing

12.45 - 1.00 Questions

1.00 Lunch

Appendix 2

Summary of suggestions for training in 2007

David Blacher

Brief session on internal and external audit, difference between them and the roles played by the audit committee on each.

Tony Hazell

No particular suggestions. Experience of audit and corporate governance through training at NHS trust.

Richard Kennett

Financial internal controls.

Update of best practice in corporate governance.

Session from respective auditors on their methodology - audit includes examination on a test basis of evidence relevant to the amounts and disclosures in financial statements.

Carol Lloyd

Financial internal controls.

Corporate governance if remit of the committee is extended to this area.

Doug Proctor

Corporate governance if remit of the committee is extended to this area.

Appendix 3

Proposed training on afternoon of 28 February 2007

Venue: Council Chamber, Park House

The aim of the programme is to give the Committee more understanding of the assurance framework, setting out how the framework of internal and external controls relates to the risks of an organisation.

10.30 am	Committee meeting
12.30 pm	Lunch
1.00 - 2.30 pm	Internal auditors' methodology, including the types of internal controls which they look for (Mark Wonnacott, PKF)
2.30 - 3.30 pm	Baker Tilly's audit methodology (Sarah Mason and David Blacher, Baker Tilly) Any developments in audit in last year (e.g. new regulations and changes to audit standards) (Sarah Mason and David Blacher)
3.30 pm	Tea/coffee
3.40 - 4.10 pm	National Audit Office's methodology as a second tier auditor (Steve Ecroyd, National Audit Office)
4.10 - 4.30 pm	Question and answer session