

Unconfirmed
THE HEALTH PROFESSIONS COUNCIL

Chief Executive and Registrar: Mr Marc Seale

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MINUTES of the twenty-fourth meeting of the Finance and Resources Committee held on **Friday 29 July 2005** at Park House, 184 Kennington Park Road, London, SE11 4BU.

PRESENT: Mr R Clegg (Chairman)
 Professor N Brook
 Mr J Camp
 Mrs S Chaudhry (part)
 Mrs M Clark-Glass
 Mr M C Davies
 Ms C Farrell
 Ms D Haggerty
 Professor J Harper
 Professor C Lloyd
 Miss M MacKellar
 Mr P McFadden
 Mrs B Stuart
 Professor D Waller

IN ATTENDANCE:

Mr C Bendall, Secretary to the Committee
 Mr R Dunn, Director of Corporate Services
 Ms L Foster, Human Resources Manager
 Mr S Leicester, Interim Finance Manager
 Ms L McKell, Partner Manager
 Mr M Seale, Chief Executive and Registrar

Item 1.05/69 ELECTION OF CHAIRMAN AND VICE-CHAIRMAN OF THE FINANCE AND RESOURCES COMMITTEE

- 1.1 The Committee agreed that the Chief Executive and Registrar should act as chairman for the first part of this item. The Chief Executive requested nominations for the position of Chairman. Mrs Stuart proposed Mr Clegg and this was seconded by Mr Camp. There were no other nominations and Mr Clegg was appointed as Chairman.
- 1.2 The Chairman requested nominations for the position of Vice-Chairman. Professor Brook proposed Mrs Stuart and this was seconded

by Mrs Clark-Glass. There were no other nominations and Mrs Stuart was appointed as Vice-Chairman.

Item 2.05/70 APOLOGIES FOR ABSENCE

- 2.1 Apologies for absence were received from the following members of the Committee: Mr P Acres, Mr W Munro, Mr K Ross, Miss P Sabine and Mrs J Sheridan.
- 2.2 Members of the Council had been invited to attend the meeting. Apologies for absence were received from the following members of Council: Ms P Blackburn, Ms G Darwent, Mrs S Drayton, Dr C Green, Professor T Hazell, Mrs R Levenson, Professor J Lucas, Mr S Taylor, Miss E Thornton and Dr A Van Der Gaag.

Item 3.05/71 APPROVAL OF AGENDA

- 3.1 The Committee approved the agenda.

Item 4.05/72 MINUTES OF THE FINANCE & RESOURCES COMMITTEE MEETING HELD ON 23 JUNE 2005

- 4.1 It was agreed that the minutes of the twenty-third meeting of the Finance and Resources Committee be confirmed as a true record and signed by the Chairman.

Item 5.05/73 MATTERS ARISING

- 5.1 There were no matters arising.

Item 6.05/74 REQUEST TO APPROVE COLIN BENDALL AS SECRETARY TO THE FINANCE AND RESOURCES COMMITTEE AND AUDIT COMMITTEE

- 6.1 The Committee received a paper for discussion/approval from the Executive.
- 6.2 The Committee noted that, during the period of the shadow HPC and during the first and second transitional periods, the Finance Director had acted as Secretary to the Finance and Resources Committee and the Audit Committee. This had two disadvantages. Firstly, the Finance Director had to present papers to the Committee and also keep a written record of meetings. Secondly, the minutes were inconsistent with the minutes of the statutory and non-statutory Committees which were the responsibility of the Secretariat Department.

6.3 The Committee agreed that:-

(i) the secretariat function of the Finance and Resources Committee and the Audit Committee should be managed by the Secretariat Department

(ii) that Mr Bendall should be appointed as Secretary to the Finance and Resources Committee and the Audit Committee.

Item 7.05/75 AMENDMENTS TO THE FINANCE AND RESOURCES COMMITTEE STANDING ORDERS

7.1 The Committee received a paper for discussion/approval from the Executive.

7.2 The Committee noted that the Council had requested amendments to the standing orders of the Finance and Resources Committee so that the Audit Committee was no longer a sub-committee but instead reported directly to the Council. An additional standing order required that, at least once each year, the Committee should meet as the Remuneration Committee (or appoint a sub-committee from among its members to do so) to approve the annual salary review for HPC employees.

7.3 The Committee agreed that the original version of the standing orders and the amended version should be presented to the next meeting.

Action: MS

Item 8.05/76 BANK MANDATE CHANGE OF SIGNATORIES (ADDITIONAL PEOPLE)

8.1 The Committee received a paper for discussion/approval from the Executive.

8.2 The Committee welcomed Mr Leicester, who had been appointed as the interim Finance Manager. It noted that interviews for a permanent Manager would take place on 23 August.

8.3 The Committee agreed that the following amendments should be made to the bank mandate arrangements (Revision 6) set out in the paper:-

(i) the amounts for cheque signatories should be clarified to read "up to and including £25,000.00"

(ii) List B of the signatories should be revised to include these individuals only: Mr R Dunn, Mr C Middleton, Mr G Ross-Sampson and the permanent Finance Manager (once appointed).

(iii) As List A only included one individual, the statement about transfer between accounts should be amended to read "Other than automatic transfers, transfers between Natwest Accounts (including Money Market & Corporate Bond Transactions) may be confirmed on the Authority of the Chief Executive or the Finance Manager (TBA)/Financial Accountant (Manj Cheema)."

(iv) Lists A and B should be combined into one list, to avoid a situation where the only individual on List A was unavailable.

Action: SL

Item 9.05/77 QUALIFIED ACCOUNTANT - COMMITTEE MEMBER

- 9.1 The Committee received a paper for discussion/approval from the Executive.
- 9.2 The Committee noted that none of the members of the Committee or the Council were a qualified accountant or a person with substantial financial experience. In the past, Mr Daniel Ross ACA, the Chief Executive of the Royal College of Pathologists, had been a member of the Finance and Resources Committee and the Audit Committee when the HPC was in its shadow form and during the first and second transitional periods.
- 9.3 The Committee noted that paragraph 14(1) of Schedule 1 to the Health Professions Order 2001 required the appointment of non-Council members to committees to be undertaken having regard to the guidance issued by the Commissioner for Public Appointments. The paper recommended that the Commissioner should be invited to participate in the selection process.
- 9.4 In response to a question, it was confirmed that the Commissioner had recently been involved in recruitment of HPC partners. It was agreed that the Partner Manager would forward a copy of the partner recruitment process to Mrs Clark-Glass for her comments.

Action: LM

- 9.3 The Committee agreed that:-
- (i) a person who was a qualified accountant or had substantial financial experience be appointed as a member of the Finance and Resources Committee and a similar appointment should be made to the Audit Committee, such appointments to be made for a renewable term of two years;

(ii) the Executive should begin the process of identifying suitable candidates for appointment as soon as possible so that an appointment could be made by the Council no later than 5 October 2005; and

(iii) the selection of the person(s) for appointment should be undertaken by a Panel comprising the President, the Chairman of the Finance and Resources Committee, a person appointed by the Commissioner for Public Appointments and a partner from HPC's auditors, Baker Tilly.

Action: MS

Item 10.05/78 PROCESS TO RECRUIT INTERNAL AUDITORS

- 10.1 The Committee received a paper for discussion/approval from the Executive.
- 10.2 The Committee noted that, in the past, both the external and internal audits of HPC had been conducted by the same firm of accountants. It was now proposed that the internal audit should be conducted by a different firm that that which acted as the external auditors.
- 10.3 The Committee noted that the purpose of internal audits was to help evaluate the adequacy and effectiveness of the corporate control framework, identify ways of improving the manner in which the organisation ran its internal business and ensure that internal financial systems were safe and secure. Article 46(3) of the Health Professions Order 2001 required that the persons appointed as external auditors must be authorised company auditors and the paper recommended that the internal auditors should be similarly qualified.
- 10.4 The paper proposed that a shortlist of potential internal auditors should be drawn up by the Executive with advice from Baker Tilly and that the final recommendation on behalf of the Committee to the Council should be made by a selection panel comprising the President of the Council, the Chairman of the Committee and one other member of the Committee. In discussion, the Committee felt that the Commissioner for Public Appointments should be involved in selecting the other member of the Committee.
- 10.5 The Committee agreed that it would delegate the recommendation to the Council of the persons to be appointed as HPC's internal auditors to the Chairman and one other member of the Committee, acting in conjunction with the President of HPC.

Action: MS, Chairman, President

Item 11.05/79 JUNE MANAGEMENT ACCOUNTS (INCLUDING VARIANCE COMMENTARY)

- 11.1 The Committee received a paper for discussion/approval from the Executive.
- 11.2 The Committee noted that HPC currently had an operating surplus. In the year to date, income from registration was above budget and, in particular, income from registration of chiropodists showed a relatively high year to date favourable variance. This was due to an influx of international and grandparenting applications towards the end of the last financial year. The Committee also noted that the statement that there was a relatively high favourable variance from registration of physiotherapists was an error.

Item 12.05/80 FINANCE REPORT

- 12.1 The Committee received a paper for discussion/approval from the Executive.
- 12.2 The Committee noted the summary of work in the Finance Department. It noted that the draft HPC statutory accounts for the year ending 31 March 2005 were with Baker Tilly (external auditors), who were in the process of completing these in conjunction with the National Audit Office. The Finance Director and Financial Accountant would do further work on cash management and forecasting, to obtain a more optimal balance between liquidity risk and financial return.
- 12.3 The Committee noted that the HPC Business Reserve account attracted an interest rate of 2.3% and asked that attempts should be made to find a higher rate.

Action: SL

Item 13.05/81 CORPORATE SERVICES REPORT

- 13.1 The Committee received a paper for discussion/approval from the Executive.
- 13.2 The Committee noted that the report covered Information Technology, ISO and Office Services. Current projects included Intelligent Character Recognition (ICR), which was designed to partly automate the paper-based registration renewals process. In addition, data was being inputted into the Fitness to Practice casework database and work continued on the Authentication of Users project.
- 13.3 The Committee noted that Freedom of Information requests were received by HPC at the rate of about five per week. Most were requests

for reports against specific criteria which did not currently exist and therefore did not strictly fall under the Freedom of Information Act 2000. Mr Dunn and Ms R Bacon were responsible for dealing with requests. It was agreed that a copy of the Freedom of Information procedures would be provided to Mr Camp.

Action: RD

- 13.4 The Committee noted that IT training for employees had commenced and would continue over the next two months. It also noted that quotations were being obtained for conversion of the mezzanine floor into office space and it was expected that three quotes would be available in September.
- 13.5 In response to a question, it was explained that the Council had recommended that Applied Psychologists should be regulated by the HPC and the Department of Health had undertaken a consultation on regulation of the profession. However, in its response to the consultation, the British Psychological Society had questioned the appropriateness of regulation by the HPC. The Society had not yet been able to agree a date for a meeting with HPC's IT and UK Registration departments to discuss the situation.

Item 14.05/82 HUMAN RESOURCES DEPARTMENT REPORT

- 14.1 The Committee received a paper for discussion/approval from the Executive.
- 14.2 The Committee noted that recent appointments included five temporary Registration Officers on short term contracts to deal with the extra workload during the peak period of registration renewals. Two Education Officers and a permanent Human Resources manager had also been appointed.
- 14.3 The Committee noted that flexible working had been launched in the Registration Departments, with opening hours from 8.00am to 6.00pm, to provide a better service to registrants.
- 14.4 The Committee noted that current projects in the Human Resources Department included updating all job descriptions into a standard format and a review of employee contracts in conjunction with recommendations made by solicitors at Kingsley Napley.
- 14.5 Members requested a progress report on the recruitment of a new Education and Policy Director. It was reported that it was not intended to fill the post as a new Policy and Standards Directorate had been created, which would be responsible for policy issues; consultations issued and received by HPC; Professional Liaison Groups; and Standards and Guidance. It was intended that the Operations

Department would be responsible for approval and monitoring of courses.

- 14.6 The Committee agreed that the Education and Training Committee should discuss whether these proposed arrangements were appropriate. Members noted that there were substantial developments in the education sector and they needed to explore further the issues around operational and policy work.

Action: MS

Item 15.05/83 HPC ORGANISATION CHART

- 15.1 The Committee received a paper to note from the Executive.
- 15.2 The Committee noted the chart showing the revised organisation of HPC.

Item 16.05/84 AUDIT ENGAGEMENT LETTER

- 16.1 The Committee received a paper to note from the Executive which contained a copy of the engagement letter between Baker Tilly and the HPC.
- 16.2 The Committee noted that the National Audit Office was not content with the wording of the letter. Once the letter had been revised, it would be brought back to the Committee for approval.

Action: MS

Item 17.05/85 ANY OTHER BUSINESS

- 17.1 There was no other business.

Item 18.05/86 DATE AND TIME OF NEXT MEETING

- 18.1 The next meeting of the Committee would be held at 11.00am on Tuesday 20 September 2005.
- 18.2 Subsequent meetings would be held at 11.00am on:-
- Monday 21 November 2005 - preceded by the Audit Committee
- Wednesday 8 February 2006
- Wednesday 22 March 2006 - preceded by the Remuneration Committee and Audit Committee
- Thursday 27 April 2006

Thursday 22 June 2006 - preceded by the Audit Committee

CHAIRMAN

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2005-07-29	a	F&R	MIN	Finance and Resources Committee 29 July 2005 public minutes	Draft DD: None	Public RD: None

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