

UNCONFIRMED

THE HEALTH PROFESSIONS COUNCIL

Chief Executive and Registrar: Marc Seale

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FINANCE AND RESOURCES COMMITTEE

MINUTES of the 16th Meeting of the Finance and Resources Committee held at 11 a.m. on **Thursday 24th June 2004** at Park House, 184 Kennington Park Road, London, SE11 4BU.

PRESENT:

Mr C Lea, Chairman
Mr M Barham
Mr K Ross
Mrs J Stark
Mrs B Stuart
Mr N Willis

IN ATTENDANCE:

Mr D Robinson (BDO Stoy Hayward) (BDO)
Mr J Chantler (BDO Stoy Hayward) (BDO)
Mr D Waddell (National Audit Office) (NAO)

Mr M Seale (Chief Executive and Registrar)
Mr P Baker (Finance Director and Committee Secretary)
Ms D Thompson (Human Resources Director) (Items 1 – 7)
Mr R Ballard (Management Accountant)

FIN061/04 APOLOGIES FOR ABSENCE

61.1 Apologies had been received from Professor N Brook, Mr R Clegg, Professor J Harper, Mr D Ross and Mr W Munro. Apologies were also received from Mr Steven Corbishley (NAO) and Mr R Dunn (Director of Information)

FIN062/04 APPROVAL OF AGENDA

62.1 The Draft Agenda was adopted as the Agenda for the Meeting. It was agreed that the meeting would be held in private after Item 7.

FIN063/04 APPROVAL OF MINUTES OF THE MEETING HELD ON 29TH APRIL 2004

- 63.1 It was AGREED that the minutes of the 15th meeting of the Health Professions Council Finance and Resources Committee be confirmed as a true record and signed by the Chairman.

FIN064/04 MATTERS ARISING

- 64.1 **Assistance with the Provision of PCs for Council Members (Minute FIN047.5/04)**

It was verbally reported that the matter had been considered by the Executive but unfortunately the answer is no because PCs are generally cheap nowadays, many have access at work or libraries, etc. Further discussion took place and various views were expressed, not least that the organisation should not be spending money on Council members.

It was AGREED that the policy should be that no assistance should be given but if a member had a real problem in the future the policy could be reviewed. The policy would be reviewed again in June 2005.

- 64.2 **Operating Department Practitioners (ODPs) (Minute FIN047.3/04)**

Marc Seale indicated that the various processes were on track for the ODPs to be admitted to the Register on 1st September. It was the Privy Council's role to determine Council members.

- 64.3 **General Social Care Council (GSCC) (Minute FIN047.6/04)**

Marc Seale indicated that the GSCC was a potential user of the LISA system. However the system software was the property of Digital Steps: the HPC is not an agent.

- 64.4 **Hotel corporate rates (Minute FIN050.1/04)**

Paul Baker indicated that we were still hoping to bring details of corporate hotel rates to the July meeting.

FIN065/04 FINANCE AND OFFICE SERVICES REPORT

- 65.1 Mr Paul Baker, the Finance Director presented his monthly report.
- 65.2 Performance indicators with regard to the payment of May invoices and the production of May Management Accounts had been met.
- 65.3 £1,000,000 was on money market deposit and around £750,000 was currently held on Business Reserve Account.
- 65.4 The Department had been heavily involved in the production of the Annual Financial Statements and in providing help to the auditors, largely with regard to the audit of income and deferred income, which had been difficult

after the implementation of the LISA systems. Improvements would be implemented in the future.

- 65.5 Customer Service training had been undertaken as had training on the Lotus Notes system which had replaced Microsoft Outlook.
- 65.6 Under Office Services, it was stated that the Valuation Officer had sent a team to measure the building, in connection with setting our business rates.
- 65.7 Our surveyors had sought tenders for this year's building works, which had now commenced again using Parkeray. The work would involve outside painting, digging out the front aspect of the building and the installation of railings, air conditioning improvements in Park House and painting some of the meeting rooms and corridors. Parkeray had put out much of the sub-contractors' work out to tender to save costs.
- 65.8 The Committee NOTED the paper.

FIN066//04 IT REPORT

- 66.1 In the absence of Mr Roy Dunn, Director of Information, who was attending a computer workshop, the Chief Executive presented the monthly report on his behalf.
- 66.2 It was hoped that new permanent staff member would be in place in July.
- 66.3 Other projects included, *inter alia*, the development of a workflow and document control system for Fitness to Practise, locating possible Customer Service/Complains tracking solutions for Customer Services and the implementation of the Operating Department Practitioners section of the Register.
- 66.4 It was noted that it was likely that we would be able to obtain a legal copy of the ODPs' voluntary register two months prior to the opening of the statutory register. Failure to do so might result in a delay in opening the Register for ODPs in September.
- 66.5 It was explained that the documentation of processes mentioned in the report was being done with a view to the HPC seeking ISO accreditation.
- 66.6 The Committee noted the comments in the report "the delivery of a proposal for ICR (intelligent character recognition) requires significant investment" and stressed that nothing should be undertaken unbudgeted.
- 66.7 The Committee was concerned about the language (IT speak) of the report and asked that future reports should be written in plain English to ease their understanding.
- 66.8 The Committee NOTED the paper.

FIN067/04 HUMAN RESOURCES REPORT

- 67.1 The Committee NOTED the report from Denise Thompson which covered her department's work regarding the partners' programme (largely recruitment and selection in respect of Arts Therapist, Paramedic, Physiotherapist, Chiropodist/Podiatrist, Clinical Scientist, Occupational Therapist and Radiographer partners and also Occupational Therapist assessors.) There was ongoing work in connection with partner training and the Partners' Conference in September.
- 67.2 The current situation with regard to employee resourcing was covered.
- 67.3 HR software has been identified and is scheduled to be in place in September.
- 67.4 The first edition of the Partners Manual had been produced.

The Committee resolved that the next section of the meeting should be held in private because publicity would be prejudicial to the public interest, by reason of the confidential nature of the business transacted.

The public meeting reconvened and continued as follows:

FIN068/04 BANK MANDATE

- 68.1 It was agreed that Mr R P Dunn be added to List B on the bank mandate in place of Mrs L A Barnes. It was noted that each cheque signatory was required to re-sign the mandate.

SUBJECT TO COUNCIL RATIFICATION

FIN069/04 ATTENDANCE ALLOWANCES

- 69.1 It was reported that there had been a number of requests for payment to assessors for preparation time for meetings. The Committee debated the issue and noted that such payment would be difficult to control, some members thinking that the current allowance of £130 was too low and some considering that it was adequate. Others noted that they were not paid for preparation when they were doing similar work for other organisations.
- 69.2 It was AGREED that there should be no payment for preparation time at present but that the allowance itself should be reviewed. It was agreed that an analysis of rates payable by similar bodies be prepared and our rates benchmarked against it. If the Committee then felt a change was necessary in the basic allowance, recommendation would then be made to Council. The Committee asked for the information to be available for the September meeting.

ACTION – PAUL BAKER

- 69.3 The Committee NOTED that there would be an adverse variance of about £12,000 in respect of Tests of Competence to the end of September, where assessors are paid £65 per case in addition to the £65 they were paid for the original assessment in each case.

FIN070/04 PROFESSIONS SUPPLEMENTARY TO MEDICINE CHARITABLE TRUST

70.1 On 9th July 2004 payments to professional bodies for JVC clerks will cease. These have up to now always been paid by the Professions Supplementary to Medicine Charitable Trust. It is now considered that there is unlikely to be any further use for this charity, especially as a regulator the HPC should stand apart from making such payments.

70.2 The Committee AGREED that the Trustees of the Professions Supplementary to Medicine Charitable Trust be asked to make arrangements for it to be wound up no later than 31st March 2005, any costs of the winding up to be borne by the HPC.

SUBJECT TO COUNCIL RATIFICATION

FIN071/04 AUDIT COMMITTEE – MINUTES OF MEETING HELD ON 17TH MARCH 2004

71.1 The Committee NOTED the minutes of the meeting held on 17th March which covered, inter alia, the audit strategy to be used by BDO and the NAO for their audit for 2003/4. The minutes also indicated that the Internal Audit work for 2004/5 would cover Human Resources and Invoice and Expense Claim Payments (Purchase Ledger).

FIN072/04 AUDIT COMMITTEE – MEETING HELD ON 24TH JUNE 2004

72.1 Mrs Jackie Stark, acting Chairman of the Audit Committee in the absence of Sandy Yule who was abroad, reported verbally that a meeting of the Committee had been held earlier that morning.

72.2 The meeting had discussed the audit of the accounts for the year ended 31st March 2004 and the management letter received from BDO. It had been noted that there had been a number of problems auditing income and deferred income from the LISA system due to a lack of audit trail and the inability of the system to reply to enquiries retrospectively. Additional work had been undertaken by the Finance Department and the Audit Manager but in the end BDO had gained sufficient assurance for their purposes. A number of recommendations for the future had been made which would be acted upon, especially with regard to the LISA system and the Secretary had been asked to report back to the Audit Committee in due course.

72.3 The Committee had been told that based on the work they had undertaken to date, BDO expected to issue an unqualified audit opinion in respect of the HPC financial statements included within the annual report.

72.4 The NAO had also indicated at the meeting that the financial statements presented for audit were significantly better than last year. There was still work for them to do in reviewing BDO's working papers, but the likely impact (subject to review comments) is further enhancements of disclosures

in the financial statements but there was unlikely to be an impact on the main account figures.

72.5 The Committee had agreed that it should spend a day, prior to the next scheduled meeting of the Committee, considering the remit of the Audit Committee and associated corporate governance issues, the day to be led by the NAO and supported by BDO. Other relevant parties such as the Chairman of the Finance and Resources Committee and the Chief Executive would be invited to attend.

72.6 Jackie Stark paid tribute to the Finance Department and thanked them for all their efforts. They were a first-class forward-looking group of people.

72.7 The Committee NOTED the verbal report and looked forward to receiving the full minutes of the meeting at the next meeting.

FIN073/04 MANAGEMENT ACCOUNTS TO 30TH APRIL AND 31ST MAY 2004

73.1 The Committee NOTED the management accounts to 30th April which showed an operating deficit for the month of £46,445 against a budgeted deficit of £112,061, a favourable variance of £65,616. This variance became a favourable variance of £83,754 after accounting for unbudgeted unrealised gains on investments of £19,570 and investment income of £3,568.

73.2 The Committee NOTED the management accounts for the 2 months ended 31st May which showed an operating deficit for the two months of £25,444 against a budgeted deficit of £99,096, a favourable variance of £73,652. This variance became a favourable variance of £65,343 after accounting for unbudgeted unrealised losses on investments of £9,593 and investment income of £11,739.

FIN074/04 ANY OTHER BUSINESS

74.1 There was no Any Other Business.

FIN075/04 DATE AND TIME OF NEXT MEETING

75.1 The next meeting was confirmed as Tuesday 27th July 2004 at 11 a.m. in Park House.

Signed (Chairman)

Date