

## Item 11

### UKPHR Board 14 September 2023

#### Audit, Risk, & Remuneration Committee

#### Minutes of meeting on 18 July 2023



**Present:** Duncan Vernon - Chair (DV)  
David Evans (DE)  
Helen Featherstone (HF)  
Joanna Dowd (JD)

Jessica Lichtenstein (JL)  
Pav Johal (PV)  
David Seeley (DS)

**Apologies:** James Sandy  
Jenny Douglas  
Linda Smith

#### Item 1 – Welcome, apologies, and declarations of interest

1. DV welcomed the group and noted apologies from Jenny Douglas, James Sandy, and Linda Smith. There were no other new declarations of interest.

#### Item 2 – Minutes from last meeting

2. The committee noted the minutes from 25 May 2023 as an accurate record.

#### Item 3 – Action points and matters arising

3. Outstanding actions from the last meeting were discussed.
4. JL provided updates on all open actions, which are on track. She noted a new independent examiner, Malcolm Wilcox, who would undertake the role for a year. After that, quotes would be sought for a more permanent arrangement.
5. JL noted that a risk appetite statement would be considered after the new organisational strategy was finalised, as there would be a better understanding of priorities at that point.
6. It was noted that the financial risks hadn't been added to the risk register, which will be rectified for the next iteration.

**Action: ensure to add financial risks to risk register**

#### Item 4 – 2022/23 End of Year accounts

7. DV welcomed DS, from Accuo Accountants.

8. JL explained that the accounts looked very different to the version the ARRC had seen in May; a lot of financial reconciliation ie back dating invoices and income, had been done since then.
9. It was noted that there was a significant deficit, but that there were clear justifications that explained why. JL confirmed that the accounts looked as expected, and that she felt that they indicated a clear growth trajectory and a sound financial state. She also noted that this was a point-in-time analysis, and that directly after the end of the financial year, renewal season started, and income increased very significantly.
10. JL described several reasons for the increased deficit:
  - a. There was a short-term shortfall in local practitioner fees as we changed the payment schedule, of approximately £30,000. All outstanding balances should have now been paid back; this will be a one-off anomaly and will be reflected as an increase in income in next year's accounts.
  - b. We are still awaiting approximately £4000 in training income from practitioner schemes, which are being chased.
  - c. There was a significant rise in salaries and associated expenses- approximate £60,000- the Board agreed that this increase would be covered by reserves.
  - d. There was an increase in professional fees compared to last year; these expenses included: the values report, ED&I training/ support, accountancy annual fees, HR & professional development fees, outstanding expenses from the online training evaluation, and IT consulting. Approximately £5000 of this is related to the IT upgrade (project support) and is funded through reserves.
  - e. Telephone expenses increased as this line item now includes wifi, as well as project fees to install a new online phone system, which is working very well. We should see overall savings next year in this regard.
  - f. Moderation fees paid out increased, as the pace of things has picked up since the pandemic. This is in line with increased income.
  - g. Increased computer software costs are due to the IT upgrade and implementation costs, approximately £27,000 total- again, agreed to be paid through reserves.
  - h. PSA accreditation has, as previously discussed, significantly increased.
11. DS emphasised the difference between cash accounting and accrual accounting. The quarterly management accounts are based purely on money coming in, and money going out. Annual accounts, cover activity during the financial year, no matter when the actual transactions were made.
12. It was noted that there were areas of the cover letter to Companies House that needed updating, such as JL's permanent appointment and acknowledgement of fixed term staff, as well as the justification for the deficit. It was acknowledged that for the purposes of reporting, fixed term and permanent staff considered the same.

**Action: JL to update cover paper for EOY accounts**

13. JL introduced a paper relating to formalising a job role and pay banding structure within UKPHR. She noted that this is something that originally arose as when in 2021, then-CEO Marcial Boo commissioned a company called Paydata to do a job role review, and benchmark pay. That was a helpful report, and as a result staff members all received pay rises as they were being paid under the recommended benchmark. As part of that exercise, UKPHR roles were mapped to other job roles in similar organisations.
14. Since then, we've added an additional two staff members to the team, and we continue a growth trajectory. The team support this initiative, and agree that a formal banding framework will now be useful to:
  - a. better understand how each role fits into the organisational structure
  - b. be clear about our expectations of each role and the skill set required
  - c. increase transparency around job roles and salaries
  - d. make clear a path for job progression to the team
  - e. help guide job descriptions/person specifications and salaries for future recruitment rounds.
15. This band was based on the original Paydata banding and role mapping, as well as taking into account industry standards and best practice across the civil service, charity, and health sectors.
16. Current roles and salaries fit nicely into the proposed band. There can also be exceptions if an individual reaches the top of the pay band- although this would need to be carefully considered. It was confirmed that the team does not have performance-based pay rises, because of the small number of staff; across the board pay rises will continue to be the approach.
17. The ARRC received this positively, although suggested that the differentiation across bands with the same pay range should perhaps be fleshed out further. They also suggested that there is a description of roles between bands 10 and 13, although there was acknowledgement that these are Director-type roles that don't exist at UKPHR. JL confirmed that this was the CEO band assigned by the Paydata review, and that there is also a Band 14 that is likely intended for a Chief Executive of a much larger and more complex organisation.
18. There was also some acknowledgement that movement between bands needed to be further explored, but that this would come out of implementation of the framework. It was also noted that budgets could potentially reflect the higher end of bands, in case recruitment needed to happen in-year.

#### Item 6 – IT update

19. PJ noted that renewal season had gone well, with significant resource savings due to the new system. Less registrants missed the renewal deadline than the previous year. There are some delays in development of mass communications, but because of this Fortesium has offered additional development time.
20. The Committee thanks PJ for her efforts in leading this.

21. JD left the meeting after this item, but it was confirmed to remain quorate.

#### Item 7 – Top risk register

22. JL noted the change log. She'd reduced the risk level for legislative reform impacting UKPHR, as the governments priorities seem to be very much focussed on MAPS regulation, which is being delayed again. At that point, there will likely be a general election, and again potential changing priorities. There was no mention of any proposed regulatory changes in the NHS long-term plan. The ARRC was content that this was unlikely to be a live risk anytime soon.

23. There are ongoing disruptions to the wider public health system, which is accepted to be the norm now- although things are starting to settle. JL is keeping up to date on developments. There has been acknowledgement that there is a lack of leadership in the workforce arena for the four countries, which is recognised and being worked through by the system. DV confirmed that workforce is still the key agenda item across local discussions. Agenda for Change pay recommendations are unfunded, and we need to monitor impact on funding for public health.

24. It was noted that the Covid Public inquiry and any recommendations coming from that is also a significant unknown and has been added to the register.

25. JL added risk tolerance levels for missing areas. She noted that the pandemic had demonstrated the organisations tolerance for some kinds of risk had increased, as they had been proven to be able to accept and implement fundamental changes very quickly.

26. It was noted that the risk register would be reviewed in the context of the new strategy.

#### Item 8 – Any other business

27. No other items of business were raised.

#### Item 9 – Next meeting 19 October 2023