Audit, Risk, & Remuneration Committee

Minutes of meeting on 18 January 2024

UKPHR
Public Health Register
Protecting the public | improving practice

Present:	Duncan Vernon - Chair (DV)	**Apologies:**	James Sandy
	David Evans (DE)		
	Jenny Douglas (JDoug)		
	Joanna Dowd (JDowd)		
	Helen Featherstone		
	Linda Smith		
	Jessica Lichtenstein (JL)		
	Pav Johal (PV)		

Item 1 – Welcome, apologies, and declarations of interest

1. DV welcomed the group and noted apologies from James Sandy. There were no new declarations of interest.

Item 2 – Minutes from last meeting

2. The committee noted the minutes from 19 October 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. She noted that 23/18 relating to the portfolio route was being progressed- the SRbPA review group had met twice and were identifying several improvements to the process. Once the review has concluded, the proposed changes will be discussed by the Education & Standards Committee and approved by the Board.

5. DV asked about whether we're communicating about this with public health registrars. JL confirmed that she'd been engaging with the FPH's specialty trainee committee and had been invited to present to them in February about UKPHR. She is expecting this to become a regular feature of the FPH's annual pre-CCT session with trainees.

6. JL noted that the team would undertake a 2024/25 operational planning day with the team, which would determine budget construction.

7. JL noted that 22/22 regarding distribution of funds across accounts had not been actioned yet, although all was up and running and smooth with the new CAF bank account.

Item 4 – Q3 23/24 accounts

8. JL confirmed that the accounts indicate that UKPHR is still in line with what had been budgeted. She reminded the ARRC that these accounts reflect cash accounting so some of the reconciliation we'd see at the EOY accounts are not made.

9. JL confirmed that refunds being issued to registrants was because of a quirk with the new system, which had to overcharge some registrants upon their first payment through Registration Online (ROL). This will stop after July 2024.

10. It was noted that salary costs will rise again as Anisah started in January.

11. The IT costs need to be broken down further for the next budget; there are some unanticipated costs associated with running ROL, and the ARRC needs to know how much is being spent on what. UKPHR is applying for a Microsoft charity discount to reduce some of these costs.

12. It was noted that the benefits of ROL will be reflected in additional activity UKPHR can undertake, rather than actual cost savings.

13. JL confirmed that things were going well with Accuo accounting, and that the new approach to budgeting and reporting, as well as direct payment of invoices, was working appropriately.

14. The ARRC noted that reserves had dipped below the target of at least 3 months operating costs, reflecting approximately 2.5 months. JL explained that there were several reasons for this unpredicted dip, both unlikely to happen again:

    a. Invoices for individual schemes had gone out in January in previous years. Because there is always a financial dip in Q4, we'd changed the schedule for these to go out in December instead, and reserves predictions had been based on this. However, because of staff vacancy, the invoices were pushed back to January. The same income will come in, but slightly delayed. JL confirmed that this is a one-off situation and should not happen again next year.
    b. Moderators have been encouraged to submit monthly invoices, to make payments more predictable and spread costs. The number of moderations is increasing. These are billed back via the practitioner schemes annually (as per paragraph 14a). Because of these changes, more money has been paid out upfront to Moderators, rather than at the end of the financial year- causing reserves to dip. The budget will be adjusted to account for this in 2024/25.

15. The ARRC confirmed that these explanations made sense and that they were not particularly concerned, particularly as the amount below the reserves target was not significant. They agreed that they would look at an update at the next ARRC meeting in March.

16. The ARRC confirmed that they received appropriate assurance as they meet 5 times per year; JL agreed to update on reserves and to flag dips below the reserve targets during quarterly management account discussions.

    Action: To ensure a reserves update is provided at the March ARRC meeting.

17. The ARRC agreed that these issues highlighted additional financial risk as a small organisation. It was acknowledged that the UKPHR Business Continuity policy would be reviewed and presented to the ARRC, at the March or May meeting.

Action: Financial risk associated with disruptions that could be experienced as a small organisation with limited capacity to be added to the risk register.

Item 5 – Risk register and risk appetite

18. JL introduced an updated risk template for consideration. She confirmed that she'd researched and consulted with publications form the Institute of Risk Management (ILM) on best practice, and that this format is standard for an organisation like UKPHR. She noted that she belongs to a Audit and Risk special interest group through the Institute of Regulation. Many larger regulators have bought in IT systems to manage risk, but this is expensive and probably not suitable for an organisation's size/scope.

19. Two key changes, other than updating content, are the mapping of Strategy themes to each risk, and the division of risks into three categories: inherent risk (or risk associated with healthcare regulation), UKPHR-controlled risk, and public health systemwide risk. The 'risk tolerance' column was removed, as it was unclear how the ratings were determined, and the group would be revisiting risk appetite later in the agenda. HF suggested that an additional column with an arrow indicating if the risk level is rising, falling, or is flat would also be helpful.

    Action: JL to add a rise/fall/flat metric to each risk on the register

20. The ARRC confirmed that the organisation and structure of the risk register was appropriate and an improvement and confirmed that a change log will continue to be helpful to track over time.

21. The ARRC discussed risk appetite, according to some guiding questions from the ILM, although the ILM guidance is geared towards larger more complex organisations. It was noted that the discussion would focus on risk appetite, rather than risk tolerance, as it's more widely understood. The group agreed that they were keen not to overcomplicate things.

22. It was noted that there were some risks the ARRC have a very limited appetite for, ie reputational and risk to the public. It was agreed that there was a slightly increased appetite for financial risk- hence the Board's willingness to spend some reserves and invest in new staff (although this is still quite limited and monitored according to an agreed framework). However, ultimately UKPHR is a health regulator, and risks of not operating as intended could risk public safety. Overall, regulators tend to have very low risk appetites. The small size also means that UKPHR must be risk averse.

23. It was also noted that things do not change particularly quickly for UKPHR- it is not a dynamic or quick paced environment. So, risk mitigations happen slowly, and much of the time through relationships or process improvement activity.

24. Regarding risk culture, because of the small size of UKPHR this tends to be consistent.

25. The ARRC agreed that a short universal statement, outlining who we are and where we've come from, in the context of justifying our low-risk appetite (on a scale of low/medium/high), would be useful, and that specific risk appetite assignments for each individual risk was not necessary. It was also noted that with risks, come opportunities. It was also agreed that the level of risk monitoring through the current Board/committee structure feels appropriate.

Action: JL to draft a short risk appetite statement based on the discussion, to be shared with the Board at the February 2024 meeting.

26. Regarding risk owners, JL explained that she appears next to every risk, but has also added operational owners. It's assumed that the Board will also own all risks.

27. It was noted that the risk register is a working document. Previous versions of the risk register are archived and that a change log will be re-introduced at the next ARRC meeting.

28. The ARRC discussed each individual risk in the risk register. The first group was risks associated with public health regulation, which would likely appear on other professional regulators' risk registers. It was noted that UKPHR has limited control over what registrants do, but more control over the UKPHR response and how we communicate with registrants and manage issues that arise. The group examined each risk in this category and felt that the content in the register was appropriate, the risks were described well, and mitigations/controls were in place.

29. The second group of risks are ones that are more within UKPHR's span of control. Risk 5 regarding 'failure to expand' practitioner registration, should be more about maintenance and expansion, as attrition is an increasing issue. It was noted that KPI monitoring happens and should be reflected in the register, and that we're looking at the results of leaving surveys to understand why people might drop off.

Action: JL to add KPI monitoring as a mitigation to Risk 5

30. Staff retention was also highlighted as a key risk to monitor, considering the issues we'd had with a recent vacancy. Risk 11 should be expanded to include the financial impact of staff vacancies.

Action: JL to expand on risk 11 to include financial impact of staff vacancies

31. The ARRC discussed the system risks, which are largely out of the UKPHR's control. They noted that there should also be another risk around the apprenticeship schemes and the specific challenges around them, including the external risk of universities phasing them out because of the complexity of delivery.

Action: JL to add a system-wide risk regarding apprenticeships

32. JL confirmed that risk 12, regarding disruption to UKPHR's function and operation had not changed, as the Faculty's workforce plan reference to a single PH regulator (preferably the GMC), was being removed.

33. The ARRC highlighted, in relation to Risk 13, that additional institutional and regulatory changes to PH bodies in all four countries could be impacted by the various COVID-19 enquiries and elections/new governments coming in.

Action: JL to add additional content regarding impact of COVID-19 enquiry recommendations and potential political changes on PH systems.

34. The ARRC confirmed that they were satisfied with the updated content and layout and thanked the team for working on this. They agreed that they would suggest an expanded discussion of the risk register at the next Board meeting in February, to accompany discussion on a Risk Appetite statement.

Action: Dedicated item on risk, with risk register circulated, at next Board meeting in February 2024.

Item 6 – any other business

35. PJ noted that we are working through a list of developments to be made to Registration Online, such as adding functionality for recognised trainers and apprentice registrants, collecting better EDI information, and tweaking the renewals process. With the credits we've accrued from Fortesium, this work will be significantly discounted, likely to cost less than £10,000. It's expected that development will happen on an annual basis, and that we're likely to need less next year. These costs will be added to the annual budget in the future.

36. DV thanked the group and confirmed the next meeting on 21 March 2024.