

Audit, Risk, & Remuneration Committee

23 October 2025

Present:	Duncan Vernon (DV) Chair	Apologies:	Rachel Flowers (RF)
	David Evans (DE)		Jenny Douglas (JD)
	Helen Featherstone (HF)		
	Joanna Dowd (JDowd)		
	James Sandy (JS)		
	Linda Smith (LS)		
	Jessica Lichtenstein (JL)		
	Pav Johal (PJ)		

Item 1 – Welcome, apologies, and declarations of interest

1. DV welcomed the committee. Apologies were given by JD and RF. were no new conflicts or interests declared.

Item 2 – Minutes from the last meeting

2. Minutes from the last meeting were presented for approval. One minor amendment was suggested, references corrected (such as a typo where “UKPHR” appeared as “UPKHR”)

Item 3 - Action points and matters arising.

3. Actions are generally up to date. JL noted that the item regarding NHS managers’ dual registration is something she’s pursuing. The key question is whether managers also registered with other regulators qualify for automatic dual registration, and whether Accredited Registers are also included in this. JL is pursuing with the PSA and the DHSC.

**Action: JL to update action**

4. A small number of practitioner schemes are facing delays in cohort start dates due to funds being difficult to access at regional rather than national level—central budgets have been released, but local access now involves “hoops”, such as additional internal panels for spending justification. This “moratorium on spends” was discussed. Committee members speculated whether these barriers were due to efficiency drives or simply capacity issues stemming from staffing shortages and transitions. JL noted that the team are trying to get additional information about the scope of these delays (which we think only apply to 1-2 schemes at the moment). It

was noted that this issue has been added to the risk register to ensure the committee continues to have oversight of any implications for UKPHR.

**Action: to adjust action to focus on delayed start dates rather than waiting lists.**

#### Item 4 – Forecasting 2026-29

5. JL and PJ introduced the forecast of income and expenditure for the next three financial years. Income projections were pegged to conservative renewal patterns and data trends, while expenditure took into account rising costs and possible fee and salary increases (the latter still a board matter for approval). PJ noted the following points:
  - Models now fit tightly with actual income registration data and annual reports, moving UKPHR toward data-driven budgeting
  - Conservative assumptions on income (e.g., registrant numbers) were balanced by cost growth projections (including office move and practitioner conference).
  - Office move savings, though anticipated, were highlighted as less impactful on the bottom line due to substantial conference costs—a point leading to debate about the value of in-person events and alternative cost-saving strategies.
6. HF noted that if income is largely driven by renewal fees from existing registrants, could a growth strategy (website improvements, outreach) unlock larger income through new registrations? The committee agreed a more ambitious registration strategy. There was also discussion about the principle of charging non-members for conference attendance to create greater value for registrants.
7. Some gaps were noted in terms of integrating financial forecasting and risk register as some contingencies in forecasts weren't directly tracked on the risk register. It was emphasised that it is important to quantify financial impacts for risk scenarios (e.g., delayed practitioner cohorts, less than expected number of registrants) and including scenario testing and outcomes in future cycles.
8. The committee agreed that there is potential to expand regulatory reach/further protect the public with increased registration of specialty registrars with UKPHR, and exploring whether it could be mandatory- an idea welcomed by the board and forming part of ongoing outreach to the heads of training schools and faculty committees. JL confirmed that there is good engagement with the Faculty Education Committee and she will follow up on these conversations. Communication with trainees will be key, to ensure that any moves to require registration is not seen as punitive but will equalise responsibilities with GMC registration, emphasizing lower UKPHR fees (approx. £128, vs. GMC's £200+ for trainees).
9. Fee structures for the portfolio route were also discussed. Because of the length of the process (several years for an application), fee rises are more complicated, so they won't rise every year.

**Action: Draft registration strategy that outlines approach to expansion of the register**

**Action: Continue to pursue conversations with the Faculty about specialty registrar registration**

Item 7 – Approach to quarterly accounts

10. JL outlined the current approach to quarterly accounts management, which are normally done on a cash accounting basis to ensure appropriate tracking of cash flow and cash reserves. It was agreed that changing the quarterly approach to an accruals accounting approach would be too resource intensive. Quarterly accounts will continue to be presented on a cash basis but with significant deferrals (ie registrant fees April-June, scheme fees, and larger invoices) clearly noted. The end of year accounts will be formulated on an accruals basis and fully reconciled.

Item 6 - Reserves Policy

11. The committee reviewed the reserves policy (agreed 2023, based on Charity Commission guidance) of holding 3–6 months of annual income to cover salaries, debts, and emergency shutdown costs. Predictable seasonal dips (e.g., delays in NHS scheme invoice payments) were discussed, as well as pressures from large projects (IT, office move) that temporarily drive reserves below target. The committee agreed that these scenarios warrant explicit listing in both the policy and the risk register.
12. It was agreed that there should be an annual review/updating of policy figures to reflect growing costs, inflation, and changing legal advice rates, with figures tracked and updated during annual budgeting (now scheduled for March). Specific contingencies should be included in reserves planning, including quantifying impact and recovery time if reserves fall below targets.

**Action: Reserves policy to be updated, according to above discussion.**

Item 7 – Q2 2025-26 accounts

13. JL presented the Q2 accounts, which are generally aligned with what was budgeted. It was noted that the positive or negative figures were a little confusing, so it was agreed that any overspend would be marked red and any underspend would be marked green in the 'total' row. It was agreed that this would improve financial visibility for all members.

**Action: for future quarterly accounts, mark total overspend in red and underspend in green**

Item 8 – Risk Register

14. JL outlined the changes to the risk register. She noted the expanded financial risks linked to practitioner program funding delays and deferred cohorts. System-wide risks (public health regulatory changes) remained high due to limited direct control, but UKPHR's increased representation (faculty committees, DHSC working groups) was logged as a significant mitigating factor. The reputational risk of public accounts

wording was identified for inclusion in the register, with Linda noting the importance of narrative control in public financial disclosures. Practitioner cohort delays, difficulty accessing funding, and possible reduced income from delayed or cancelled cohorts were mapped as red risks, but UKPHR's "watching brief" policy means regular updates and mitigation measures are now standard.

15. The ARRC asked to understand the total funds lost with each cohort deferral and to link this and other financial risks with future forecasts and annual reserves cycles. Risks associated with specific projects (office move, IT upgrade) were debated, with the committee agreeing to avoid "double disruption" (simultaneous major projects) wherever possible.
16. Red risk commentary: highest risks were noted in the system category, especially those with limited internal mitigation, while workforce gaps and practitioner standards are now better integrated into policy review and action cycles.

**Action: update risk register as above**

#### Item 9 – AOB

17. JL shared updates about unanticipated dilapidation costs associated with giving up the current office once the lease expires (early March)- a £36,000 quote was given, while the landlords had originally suggested it would be closer to £10K. This is for returning the office to "shell" condition as per lease terms (removal of kitchen, walls, carpets, etc.). She noted that a negotiation meeting with the landlord is planned to reduce these costs and discussed the rationale for independent or legal advice. There were speculations about landlord motives in quoting such high figures, and suggestions for ring-fencing this major expense using reserves. It was noted that the landlord may benefit from retaining kitchen/walls, which could be a negotiation point. It was noted that the UKPHR Chair had been briefed, and it was agreed to keep the committee updated.