

Council meeting

By Zoom

Thursday, 11 June 2020

14.00-16.00

Public business

- | | | |
|-----|--|--------------------------------|
| 1. | Attendance and introductory remarks | Nigel Clarke |
| 2. | Declarations of interest – public items | Nigel Clarke |
| 3. | Minutes of last meeting
<i>Public session on 21 May 2020</i> | Nigel Clarke |
| 4. | Additional discussion summaries – 7 and 21 May and 1 June 2020 | Nigel Clarke |
| 5. | Actions and matters arising | Nigel Clarke |
| 6. | Engagement and communications report
<i>For noting</i> | 20.06.C.01
Rachael Oliver |
| 7. | Annual report, FtP report and accounts
<i>For approval</i> | 20.06.C.02
Duncan Rudkin |
| 8. | Audit and Risk Committee – annual report to Council
<i>For noting</i> | 20.06.C.03
Neil Buckley |
| 9. | Finance and Planning Committee – annual report to Council
<i>For noting</i> | 20.06.C.04
Mark Hammond |
| 10. | Remuneration Committee – minutes of the meeting on 30 April 2020
<i>For noting</i> | 20.06.C.05
Elizabeth Mailey |
| 11. | Remuneration Committee – annual report to Council
<i>For noting</i> | 20.06.C.06
Elizabeth Mailey |
| 12. | Any other public business | Nigel Clarke |

Confidential business

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| 13. | Declarations of interest – confidential items | Nigel Clarke |
| 14. | Minutes of the meetings on 07 and 21 May | Nigel Clarke |

Confidential sessions

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| <p>15. Finance and Planning Committee – minutes of the meetings held on 30 April and 12 May 2020
 <i>For noting</i></p> | <p><i>20.06.C.07 and
20.06.C.08</i>
 Mark Hammond</p> |
| <p>16. Remuneration Committee – minutes of the meetings held on 30 April and 22 May 2020</p> | <p><i>20.06.C.09 and
20.06.C.10</i>
 Elizabeth Mailey</p> |
| <p>17. Any other confidential business</p> | <p>Nigel Clarke</p> |

Date of next meeting

Thursday 9 July 2020

Minutes of the Council meeting held on Thursday 21 May 2020 at
16.00, by Zoom

TO BE CONFIRMED 11 June 2020

Minutes of the public session

Present

Nigel Clarke (Chair)
Yousaf Ahmad
Neil Buckley
Mark Hammond
Penny Hopkins
Ann Jacklin

Jo Kember
Rima Makarem
Rose Marie Parr
Aamer Safdar
Jayne Salt
Selina Ullah

Apologies

Elizabeth Mailey, Arun Midha

In attendance

Duncan Rudkin (Chief Executive and Registrar)
Carole Auchterlonie (Director of Fitness to Practise)
Jonathan Bennetts (Director of Finance)
Claire Bryce-Smith (Director of Insight, Intelligence and Inspection)
Laura McClintock (Chief of Staff)
Francesca Okosi (Director of People)
Mark Voce (Director of Education and Standards)
Damian Day (Head of Education)
Annette Ashley (Head of Policy and Standards)
Rachael Oliver (Head of Communications)
Janet Collins (Governance Manager)

1. Attendance and introductory remarks

- 1.1 The Chair welcomed those present to the meeting, which was being held by Zoom due to the Covid-19 pandemic. Apologies had been received from Elizabeth Mailey and Arun Midha.

2. Declarations of interest

- 2.1 The Chair reminded members to make any declarations of interest before each item. It was noted that all registrant members of Council had an interest in the item on provisional registration.

3. Minutes of the last meeting

- 3.1 **The minutes of the public session held on 23 April 2020 were confirmed as a fair and accurate record of the meeting.**

4. Actions and matters arising

- 4.1 There were no actions due by this meeting or matters arising.

5. Workshop summary – April 2020

- 5.1 **Council noted the discussions from the April workshop.**

6. Requirements for registering pharmacists on a provisional basis

- 6.1 Mark Voce (Director of Education and Standards) presented **20.05.C.01**, which set out the proposed policy for registering pharmacists on a provisional basis following the postponement of the registration assessments which had previously been scheduled for June and September 2020.
- 6.2 The assessment, which was the final requirement for registration as a pharmacist following successful completion of the MPharm degree and pre-registration training, had been postponed because of the Covid-19 pandemic.

- 6.3 The policy had been developed in discussion with a wide range of stakeholders, including student representatives, professional bodies and employers across England, Scotland and Wales.
- 6.4 Work was also being undertaken to move the assessment online and it was vital that it remained both secure and robust; and also that candidates had adequate time to prepare for it. It had therefore been agreed that in order to ensure the continuation of the delivery of pharmacy services to patients and to give both employers and pre-registration trainees more certainty, provisional registration should be explored.
- 6.5 The policy was based on the following principles:
- To maintain standards for entry to the register to protect patient safety and the quality of care given to patients and the public both now and over the long term
 - To support the NHS and community pharmacy by strengthening the workforce at this critical time
 - To minimise blockages or gaps in the pipeline for qualified new registrants to join the profession in 2020 and in coming years too
 - To safeguard the welfare of students and trainees whilst also ensuring that their hard work, and that of their tutors, over many years is given suitable recognition at this key stage in their professional lives
 - To enhance the transition from trainee to pharmacist by strengthening the framework of support in their initial period of work.
- 6.6 The requirements to apply for provisional registration as a pharmacist would apply from 1 July 2020 to 1 July 2021. Individuals would have to apply to sit the registration assessment at the first opportunity and pass it in order to renew their registration on the expiry of their provisional registration. An individual who failed the registration assessment would not be eligible to remain on the provisional register. They would need to pass the registration assessment at a future date before returning to the register.
- 6.7 To be eligible for provisional registration, individuals must have:
- been awarded a GPhC-accredited Master of Pharmacy (MPharm) degree or Overseas Pharmacists' Assessment Programme (OSPAP)
 - entered the pre-registration training scheme no earlier than July 2019
 - successfully completed 52 weeks pre-registration training
 - not previously failed the registration assessment
 - self-declared that they are fit to practise as a pharmacist; that they have read and understood the parameters within which they must practise if their application is successful; an undertaking to do so.

- 6.8 In addition, the trainee would require a declaration from their tutor that they had met the performance standards, were not subject to fitness to practise proceedings, had demonstrated behaviours which indicated that they could meet the standards once registered and a statement that the tutor believed that the trainee was safe to be provisionally registered.
- 6.9 Prospective employers would be required to complete a risk assessment before a provisionally registered pharmacist started work.
- 6.10 Provisionally registered pharmacists would not be able to work as locum pharmacists or be self-employed. They would be required to work in directly employed roles and would be required to practise under the guidance and direction of a senior pharmacist.
- 6.11 The policy also set out patient safety requirements, the role of the senior pharmacist and requirements for the risk assessment.
- 6.12 It was agreed during the discussion that the status of provisionally registered pharmacists needed to be clearly visible.
- 6.13 There was considerable discussion about the need for support and supervision for the provisionally registered pharmacists, both for the safety of patients and the protection of the pharmacists themselves. It would be vital that they received input from the senior pharmacists involved.
- 6.14 Employers would need to look at the provisional registrant's portfolio of experience, the volume of activity in the pharmacy, the nature and strengths of the team and the nature of their patient base when carrying out risk assessments. If the policy was agreed, more detailed guidance would be published to support it and would be circulated to members. Clear communication would also be essential.
- 6.15 There was some discussion about whether two years' experience was sufficient for the senior pharmacist – at least one member expressed the view that it should be longer. After discussion, it was agreed that the requirements for two years' experience would remain.
- 6.16 **The Council agreed the policy for registering pharmacists on a provisional basis.**

7. Any other public business

- 7.1 There was no other public business.

Date of the next meeting:

Thursday 9 June 2020

UNCONFIRMED

Additional Council discussions

Meeting paper for Council on 11 June 2020

Public

Purpose

To provide a summary of the additional Council discussions held on 7 and 21 May and 1 June 2020.

Recommendations

The Council is asked to note the discussions from the additional meetings held by teleconference on 7 May, 21 May and 1 June 2020.

1. Introduction

- 1.2 During the Covid-19 pandemic, the Council has held fortnightly discussions in addition to its scheduled meetings. The purpose of the discussions has been to keep members updated on developments and to seek early feedback on the direction of travel of various workstreams, including those arising from the pandemic.
- 1.3 The Council does not make decisions in these sessions. They are informal discussions to assist the development of the Council's views. However, a summary of the discussions is presented at subsequent Council meetings, making the development of work streams more visible to stakeholders. Some confidential items may not be reported on in full.
- 1.4 This paper reports on three recent discussions held on the dates shown above.

2. 7 May 2020

- 2.1 The discussion on 7 May focussed on updates from the executive.

Pre-registration training and assessment; and provisional registration

- 2.2 There had been a wide range of discussions with stakeholders since the Council had discussed this at its last meeting, including with schools of pharmacy, the Australian Pharmacy Council and the Chair of the Board of Assessors; in relation to the provision of the pre-registration examination online.

Inspector visits

- 2.3 Inspectors had carried out 825 support visits during April. They had gathered a number of examples of notable practice which had been published online and received over four thousand hits.
- 2.4 Over 1500 pieces of intelligence had been gathered via the inspectors and the Inquiries team.

Fitness to practise

- 2.5 Over 3000 concerns had been received in April 2020, which represented a 40% increase. Many related to pricing of medicines, hand gel and facemasks and some pointed to possible anti-competitive practice. A consistent approach to pandemic-related concerns was being developed, including by dialogue with the Competition and Markets Authority. Seven pharmacies had also been ordered to remove Covid-19 home-testing kits from sale.

Hearings

- 2.6 Some hearings (not principal hearings) were being held remotely via MS Teams, which was working well.

3. 21 May

- 3.1 The discussion on 21 May focussed on the proposals for provisional registration which are covered in more detail in the minutes of the full meeting, included in these papers at Item 3.

4. 1 June***Rule changes***

- 4.1 The discussion on 1 June covered possible changes to the Rules governing the conduct of fitness to practise cases. The aim of the changes was to strengthen and clarify the regulatory framework in the circumstances in which regulation was operating. If passed, the rule changes would allow the regulators to hold principal hearings remotely and to operate with fewer panel members if necessary. These changes would only be in force for the duration of the emergency and would be subject to six-monthly review. A third change – to allow the service of documentation electronically – would be permanent.

Standards for the initial education and training of pharmacists (IET)

- 4.2 The second item for discussion was IET. The initial proposal had been consulted on and the idea of the discussion was to get feedback on the pace and direction of travel in light of learning from the pandemic.
- 4.3 A summary of the consultation responses had been given to Council in September 2019 and included broad support for the revised standards, albeit with recognition that further work was needed in some areas to ensure the right emphasis; support for selection and admission proposals and for the principle of closer integration of academic study and learning in practice. The latter point was caveated by significant questions about the practicalities, including funding.

- 4.4 Council members provided informal feedback on the post-consultation work so far and the next steps.

5. Recommendations

The Council is asked to note the discussions from the additional meetings held by teleconference on 7 May, 21 May and 1 June 2020.

Janet Collins, Governance Manager
General Pharmaceutical Council

02 June 2020

Engagement and communications report

Meeting paper for Council meeting on 11 June 2020

Public business

Purpose

To update the Council on engagement and communications with stakeholders through a quarterly report.

Recommendations

The Council is asked to note this paper.

1. Introduction

- 1.1 This report outlines key communications and engagement activities since February 2020 and highlights upcoming events and activities.

2. COVID-19 pandemic

- 2.1 During the last quarter, our communications and engagement activity has been focused on responding to the impact of the COVID-19 pandemic. We developed and implemented a COVID-19 communications strategy in late March, which set out how we would use our communications channels to support the continuous safe and effective operation of pharmacy for patients and the public during the pandemic, and to help uphold confidence that patients and the public have in pharmacy.
- 2.2 A key part of our strategic approach was to continually review with colleagues what was happening across pharmacy and healthcare, what issues and questions were being raised with us and how we may need to respond. We held regular 'huddles' with senior colleagues from across the organisation to discuss emerging issues and information received from external stakeholders, and to agree any actions we needed to take. We also worked closely with other teams, including the contact centre and inspection team.
- 2.3 This approach helped us to respond quickly and effectively to key issues and queries by releasing statements, publishing information on our website and responding directly to queries received via email and social media.
- 2.4 We set up a **dedicated COVID-19 web page** on our website providing up-to-date information and answers to questions we were receiving from pharmacy professionals, pharmacy owners, trainees and students, and the public. We also used our communications channels

to promote key COVID-19 resources and information from governments, the NHS and other bodies to pharmacy professionals.

- 2.5 A key focus during the first part of the pandemic was to communicate changes to our regulatory approach and requirements to pharmacy professionals, pharmacy owners and trainees. This included explaining how we were changing our approach to inspections during the pandemic and that we were postponing revalidation submissions.
- 2.6 Throughout the last quarter, we have liaised closely with stakeholders including governments and the NHS in England, Scotland and Wales; other regulators; representative bodies, pharmacy and healthcare bodies; education and training bodies and organisations representing patients and the public throughout the pandemic. This has enabled us to build our understanding of the impact the pandemic was having on pharmacy services and pharmacy education and training, and to respond effectively to emerging issues that we identified through our monitoring.
- 2.7 Where appropriate, we have issued joint statements with other organisations, including with the other health professional regulators, the Royal Pharmaceutical Society (RPS), the Association of Pharmacy Technicians UK (APTUK) and the Pharmaceutical Society of Northern Ireland (PSNI) on key issues affecting pharmacy professionals and trainees.

Pharmacist pre-registration training

- 2.8 A priority during this period has been to engage effectively with our key stakeholders in relation to the impact of the pandemic on pharmacist pre-registration training and to provide clear and helpful updates and information to pre-registration trainees and tutors.
- 2.9 We facilitated two virtual stakeholder meetings to seek views on the actions that needed to be taken in response to the impact of the pandemic, as well as coordinating individual meetings and engagements with key organisations that represent trainees, employers, patient organisations and others.
- 2.10 We have provided timely updates to pre-registration trainees and tutors at each stage, as soon as decisions have been made, during a very challenging period for them. We have also provided supporting information and Q&A in response to queries that trainees have been raising with us and other organisations.
- 2.11 We also participated in two webinars held jointly with the RPS and BPSA, to give pre-registration trainees the opportunity to hear more about our ongoing work in this area and ask further questions.
- 2.12 This will continue to be a priority area for us in the months ahead, as we provide supporting guidance, standards and other information to current pre-registration trainees, tutors and employers in relation to provisional registration and the rescheduled registration assessment.
- 2.13 We will continue to engage with all key stakeholders to help inform our approach, including through two virtual focus groups with members of the public planned for mid-June 2020.

Pharmacy technician pre-registration training:

- 2.14 In early April we worked with APTUK to send a joint letter to pre-registration trainee pharmacy technicians and educational supervisors about the impact of COVID-19 pandemic

on training. The letter highlighted that we would take a flexible and proportionate approach in relation to training affected by the pandemic and encouraged educational supervisors and training managers to do the same.

- 2.15 On 6 May, we held a virtual stakeholder meeting with APTUK for colleagues involved in pharmacy technician pre-registration training, to provide an opportunity to further discuss key issues affecting trainees and educational supervisors.
- 2.16 One of the issues highlighted at the meeting was challenges that trainees who had completed their training were facing in getting their ID documents certified by a legal professional during lockdown. We worked with internal colleagues to identify that having ID documents certified by the Post Office also met requirements under our legislation and communicated this to current and future applicants via email and our website.

Temporary register

- 2.17 We published our temporary register of pharmacy professionals for the first time on 27 March 2020, after the Secretary of State for Health and Social Care asked us to use our emergency powers in order to rapidly register pharmacy professionals to assist in the national response to the COVID-19 emergency.
- 2.18 We have liaised closely with governments across Great Britain and the NHS in England, Scotland and Wales, as well as with the other regulators with temporary registration powers, to coordinate the launch of our temporary registers and our ongoing communications activity in this area.
- 2.19 Pharmacy professionals who had left the register in the last three years and were eligible for temporary registration were contacted to explain the introduction of the temporary register and were given the option to opt-out before the register went live. We also signposted temporary registrants and potential employers to supporting information, training and guidance.
- 2.20 In April 2020 we carried out a survey of pharmacy professionals on the temporary register about their plans to work during the COVID-19 pandemic. The survey findings were published on our website and were also shared with governments and organisations with a role in health and care workforce planning.

Pharmacy services and pharmacy practice

- 2.21 During the pandemic, we have issued a series of statements in response to emerging issues that we identified through the external engagement and intelligence-gathering that has been undertaken by colleagues across the organisation. These statements have included expressing our support for a zero-tolerance approach to abuse or violence in pharmacies, following a rise in reports of pharmacy teams experiencing abuse and violence. We also used our communications channels to provide an explanation to pharmacy professionals on new emergency legislation relating to controlled drugs during the COVID-19 pandemic.
- 2.22 Through our social media channels and media coverage we have promoted over 90 examples of notable practice within pharmacies responding to the challenges and issues they are facing at this time, that have been identified by our inspectors. These examples of

good practice on our knowledge hub have also been widely shared by others on social media and in newsletters, including the NHS E/I primary care newsletter and the PSNC newsletter.

- 2.23 We worked closely with Hestia, a charity supporting people experiencing domestic abuse, to encourage pharmacies to participate in their 'Safe Spaces' initiative. This initiative highlighted that increasing numbers of people were contacting domestic abuse helplines during lockdown, and that pharmacies were one of the few safe spaces open during this time. Claire Bryce-Smith, our Director of Insight, Intelligence and Inspection, promoted this initiative directly to pharmacy bodies and pharmacy owners across the sector and we also contacted all superintendent pharmacists via email to encourage them to participate.

3. Publication of Vision 2030 and Strategic Plan 2020-25

- 3.1 In May, we published our Vision 2030 and our Strategic Plan 2020-25, after our Strategic Plan had been laid in the UK and Scottish parliaments. We shared these documents with key stakeholders, including parliamentarians, via targeted emails, social media activity and a press release.
- 3.2 We emphasised in our communications that both our Vision and Strategic Plan, while developed prior to the pandemic, have helped guide our response to COVID-19 and will continue to direct our work in the future.
- 3.3 We will look for further opportunities to promote our Vision 2030 and our Strategic Plan 2020-25 through our communications channels in the next quarter.

4. Launch of guide for patients and the public on keeping safe when going online for medicines

- 4.1 On 13 March 2020 we launched our new guide for patients and the public, with top tips on how to keep safe when going online for medicines and health services. The guide was endorsed by nine other health regulators from all four countries of the UK and was also promoted by these organisations through their networks, as well as by patient organisations such as the Patients Association.
- 4.2 We have continued to promote the guide via social media during the COVID-19 pandemic, to help people going online for medicines or health services during this time to find services and health professionals that are regulated in the UK and will give them safe and effective care.

5. Recent events and meetings

- 5.1 Please see appendix 1 for a list of key events and meetings that have taken place since February 2020.
- 5.2 Council members are reminded to liaise with the office before accepting external invitations to speak on behalf of the GPhC in order to minimise overlap and ensure they have the most up-to-date supporting material.

6. Upcoming events and activities

- 6.1 Please contact Laura Oakley, Stakeholder Engagement Manager, at laura.oakley@pharmacyregulation.org if you would like to attend any of these events:

GPhC public focus group, 10/06/20

Rachael Oliver (Head of Communications) leading a focus group via Zoom on provisional registration of pharmacists

GPhC public focus group, 12/06/20

Rachael Oliver (Head of Communications) leading a focus group via Zoom on provisional registration of pharmacists

7. Consultations

- 7.1 Please see appendix 2 for the grid of active and new external consultations to which we have considered responding.

8. Equality and diversity implications

- 8.1 We have continued to make sure our resources are accessible to all audiences. This has included publishing key documents, including our Vision 2030 and Strategic Plan 2020-25, in Welsh and in formats that are accessible to people with a range of needs and requirements.
- 8.2 We are continuing to work closely with colleagues internally and externally to consider the implications in relation to equality, diversity and inclusion in relation to our response to the COVID-19 pandemic and to consider what engagement and communications activity we should undertake in response.

9. Recommendations

The Council is asked to note this paper.

Rachael Oliver, Head of Communications
General Pharmaceutical Council

04 June 2020

Appendix 1

Events from 7 February 2020 – 11 June 2020

Brighton University, 07/02/20

Simon Denton (Inspector) presentation on role of the GPhC to MPharm students

Army Pharmacists and Pharmacy Technicians conference, 11/02/20.

Whittington, nr Lichfield
Annette Ashley (Head of Policy and Standards) and Jerome Mallon (FtP Policy and Planning Manager) workshops on standards, revalidation and FtP strategy

Association of Pharmacy Technicians UK London branch meeting, 12/02/20

Simon Roer (Policy Manager Education) presentation on new education and training requirements for support staff

Sigma conference, 18/02/20

Claire Bryce-Smith (Director of Intelligence, Insight and Inspection) pre-recorded presentation on developments in pharmacy regulation screened at conference

Manchester University, 24/02/20

Craig Whitelock-Wainwright (Inspector) presentation on role of the GPhC to MPharm students

NHS Greater Glasgow and Clyde pharmacy team development day, 26/02/20.

Carole Muir (Inspector) presentation on regulating registered pharmacies and publishing inspection reports

To note – all meetings from 23 March took place virtually

GPhC stakeholder meeting on pharmacist pre-registration training, the registration assessment, and initial education and training of pharmacists, 25/03/20

Nigel Clarke (Chair), Duncan Rudkin (Chief Executive), Mark Voce (Director of Education and Standards)

GPhC stakeholder meeting on pharmacist pre-registration training, the registration assessment, and initial education and training of pharmacists, 21/04/20

Nigel Clarke (Chair), Duncan Rudkin (Chief Executive), Mark Voce (Director of Education and Standards)

GPhC and APTUK stakeholder meeting on pre-registration pharmacy technician training, 06/05/20

Nigel Clarke (Chair), Duncan Rudkin (Chief Executive), Mark Voce (Director of Education and Standards)

British Pharmaceutical Students Association and Royal Pharmaceutical Society webinar on education and training, 12/05/20

Mark Voce (Director for Education and Standards)

Association of Pharmacy Technicians UK webinar, 18/05/20

Mark Voce (Director for Education and Standards) spoke on pre-registration pharmacy technician training

Meetings from 7 February 2020

Listed below is a non-exhaustive selection of significant meetings since the last engagement and communications report to Council. Initials are as follows: Nigel Clarke (NC), Duncan Rudkin (DR), Carole Auchterlonie (CA), Claire Bryce-Smith (CBS), Jonathan Bennetts (JB), Laura Fraser (LF), Liam Anstey (LA), Mark Voce (MV)

Chair (Nigel Clarke):

- Meeting with Chair and Chief Executive, National Pharmacy Association (with DR)
- NHS Antimicrobial Resistance Programme Stakeholder Group meeting
- PSA Futurology seminar: exploring ethical and regulatory challenges
- Meeting with Chair, English Pharmacy Board and Director for England, Royal Pharmaceutical Society (with DR)
- Royal Pharmaceutical Society Education Governance Oversight Board (EGOB) (with DR, MV)
- Health and Social Care Regulators CEOs and Chairs meeting (with DR)

Staff:

- Meeting with Chair and Chief Executive, National Pharmacy Association (DR with NC)
- Meeting with Chair, English Pharmacy Board and Director of England, Royal Pharmaceutical Society (DR with NC)
- Royal Pharmaceutical Society Education Governance Oversight Board (EGOB) (DR, MV with NC)
- Health and Social Care Regulators CEOs and Chairs meeting (DR with NC)
- Meeting with Alliance (Health and Social Care Alliance Scotland) (LF)
- Meeting with Chief Executive, Association of British HealthTech Industries (DR, CBS)
- Meeting with Managing Director, Buttercups (DR, MV)
- Meeting with Chief Executive, Professional Standards Authority (DR)
- Chief Executives of Regulatory Bodies meeting (DR)
- Meeting with Community Pharmacy Scotland (LF)
- Meeting with Community Pharmacy Wales (LA)
- Meeting with Company Chemists Association (CBS)
- Meeting with Competitions and Markets Authority (DR, CBS, CA)
- Controlled Drugs Accountable Officers' Network Scotland Executive Group meeting (LF)
- Meeting with CPhO, Department of Health and Social Care / NHS England (DR)

- Meeting with CPhO, Scottish government (LF)
- Meeting with CPhO, Welsh government (LA)
- CQC Medicines Optimisation Stakeholder Co-production Event (CBS)
- Meeting with Deputy Chief Pharmaceutical Officer, NHS England and NHS Improvement (MV)
- Meeting with Directors of Pharmacy Scotland (LF)
- Meeting with Disclosure Scotland (LF)
- Meeting with General Medical Council Scotland (LF)
- Meeting with General Medical Council Wales (LA)
- Meeting with General Optical Council (MV)
- Meeting with President and Vice President, Association of Pharmacy Technicians UK (DR)
- Health and Social Care Regulators Forum (DR)
- Meeting with Health Education and Improvement Wales (LA)
- Health Education and Improvement Wales Pharmacy Advisor Board meeting (LA)
- Meeting with Health Education England (MV)
- Meeting with Healthcare Improvement Scotland (LF)
- Healthcare Improvement Scotland QIPP quarterly meeting (LF)
- Meeting with Pharmacists Defence Association (CBS, CA)
- Meeting with Swansea University (LA)
- Meeting with National Pharmacy Association (CBS)
- National Pharmacy Association hub and spoke roundtable (DR, MV)
- National Pharmacy Association Regulatory Stakeholders Forum (CBS)
- Meeting with National Pharmacy Association Scotland (LF)
- NHS England and NHS Improvement - COVID-19 primary care clinical stakeholder forum (DR)
- NHS England and NHS Improvement - COVID-19: Hospital Chief and CCG Lead Pharmacist webinar
- Meeting with NHS National Services Scotland (LF)
- NHS People Plan Joint Partnership Board Meeting (DR)
- Meeting with Numark (CBS)
- Meeting with Pharmaceutical Society of Northern Ireland (MV)
- Primary Care Quality Board (CBS)
- Reform to professional healthcare regulation in the UK (Westminster Health Forum) event (CA)
- Meeting with Regulators FtP Directors (CA)
- Meeting with Chief Executive and Director of Education and Professional Development, Royal Pharmaceutical Society (DR, MV)
- Meeting with Royal Pharmaceutical Society Scotland (LF)
- Meeting with Royal Pharmaceutical Society Wales (LA)
- Meeting with Alex Norris MP, Shadow Minister for Public health and patient safety (DR)
- Meeting with Taiwo Owatemi MP (DR)
- Professional Body CEO meeting (DR)
- Meeting with Welsh NHS Confed (LA)
- Royal Pharmaceutical Society Summit on the future of pharmacy (DR)
- Meeting with Cardiff University (LA)
- Meeting with General Dental Council Wales (LA)

- Meeting with Nursing and Midwifery Council Wales (LA)
- CCA Scottish Management Group (LF)

Appendix 2

Active and new consultations

The table below lists all the consultations by other organisations that we have reviewed. Consultations we have provided responses to are listed first, those currently being responded to appear next; the table ends with the list of consultations to which we have not provided responses.

Table 1: Active and new consultations

Consultation title	Organisation	Description	Deadline	Response status	Type of response	GPhC lead	Reasoning	Link to GPhC response
<u>Welsh Language Standards for healthcare regulators and the Professional Standards Authority</u>	Welsh Government	The Welsh Government consulting on draft Welsh language standards for professional healthcare regulatory bodies and the Professional Standards Authority. The standards aim to: - improve Welsh language services that the regulatory bodies provide to the public - make it clear what the regulatory bodies need to do in terms of the Welsh language.	15/06/2020	Responded to	Formal written response	LA (Director for Wales)	Please note that the deadline for this consultation might be extended due to the Coronavirus crisis.	
<u>EU drugs strategy 2013-20 - evaluation</u>	EU Commission	The objective of this consultation is to gather stakeholders' feedback on the EU Drugs Strategy	04/02/2020	Reviewed but not responding	No response	MP (Registration and	We have reviewed this consultation, but it is not relevant to our core role and functions.	

Consultation title	Organisation	Description	Deadline	Response status	Type of response	GPhC lead	Reasoning	Link to GPhC response
		2013-2020 and the EU Action Plan on Drugs 2017-2020, as they are approaching the end of their cycle.				International policy)		
<u>ICO consultation on the draft right of access guidance</u>	Information Commissioner's Office (ICO)	The ICO is running a consultation on the draft guidance to gather the views of stakeholders and the public. These views will inform the published version of the guidance by highlighting the areas where organisations are seeking further clarity, in particular taking into account their experiences in dealing with subject access requests since May 2018.	12/02/2020	Reviewed but not responding	No response	CG (Information Governance)	We have reviewed the draft guidance, but we have felt that we could not make any substantive contribution to the issues raised in the consultation, on this occasion.	
<u>Community pharmacies: promoting health and wellbeing</u>	NICE	This quality standard covers how community pharmacies can support the health and wellbeing of the local population. It describes high-quality care and services in priority areas for improvement. It is for	14/02/2020	Reviewed but not responding	No response	Policy and Standards team	We have reviewed this consultation with interest. Although the topic is definitely relevant to the GPhC as an organisation, we are not amongst the target audiences for this consultation and the	

Consultation title	Organisation	Description	Deadline	Response status	Type of response	GPhC lead	Reasoning	Link to GPhC response
		commissioners, service providers, health, public health and social care practitioners, and the public					specific consultation questions are not relevant to us, as they are more practice- and user-experience-based.	
<u>RPS inclusion and diversity programme - draft report</u>	RPS	The RPS is seeking feedback on their RPS inclusion and diversity report from relevant stakeholders, before the official launch of the report.	28/02/2020	Reviewed but not responding	No response	FO, LC (EDI)	As we received this with a very short notice, we were unable to provide feedback on the report.	
Review of Serious Shortage Protocols - questionnaire	DHSC	Given that SSPs are still a fairly new process for community pharmacists and dispensers, the DHSC is seeking feedback from key stakeholders on how the SSPs have worked in practice. They are monitoring and reviewing the SSP process in order to learn how it might be developed and improved.	28/02/2020	Reviewed but not responding	No response	Regional managers (Inspections), MP (International Registration)	We have considered the questionnaire and, given its practical nature, we have consulted our inspectors regarding any practical implications of SSPs that they may have noted as part of their inspection work. They reported some work on updating SSPs and SSP-related training in pharmacies, but no actual examples or observations of how	

Consultation title	Organisation	Description	Deadline	Response status	Type of response	GPhC lead	Reasoning	Link to GPhC response
							these have worked in practice. We have thus not responded to the questionnaire.	
<u>Gender Recognition Reform (Scotland) Bill: A consultation</u>	Scottish Government	This consultation seeks respondents' views on the provisions of the draft Gender Recognition Reform (Scotland) Bill which amends the way in which a trans person can obtain Gender Recognition Certificate. The draft Bill does not make provision to change the rights and responsibilities arising as a result of gender recognition nor to change existing arrangements under the Equality Act 2010.	17/03/2020	Reviewed but not responding	No response	LF (Director for Scotland), LC (EDI)	We have considered this consultation, but felt that it does not directly relate to our key role and functions, nor does it directly impact on our registrants.	
<u>NHS Net Zero - Call for evidence</u>	NHS England	NHS England is encouraging submissions from anyone with an interest in healthcare or sustainability, whether they are a member of	20/03/2020	Reviewed but not responding	No response	LM (Chief of Staff), AA (Policy and Standards)	We have considered this call for evidence, but unfortunately this is not something that we can contribute to with any useful examples,	

Consultation title	Organisation	Description	Deadline	Response status	Type of response	GPhC lead	Reasoning	Link to GPhC response
		NHS staff, a patient, carer, or an expert in a related field. Submitted evidence may include data, information, case studies, ideas and research, from within or outside a healthcare setting, nationally or internationally, that can be applied to the NHS.					case studies or research.	
<u>Managing the transition from children's to adults' healthcare services</u>	Welsh Government	The Welsh Government is consulting on guidance for healthcare services, dealing with children and young people as they move to adults' services. The guidance covers the management and accountability of transition and handover processes.	20/04/2020	Reviewed but not responding	No response	LA (Director for Wales)	We are not responding to this transition and handover guidance consultation, as it falls outside of our scope and remit.	
<u>Home Office preparedness for Covid-19 (Coronavirus) - call for evidence</u>	House of Commons Home Affairs Committee	The Home Affairs Committee is undertaking a short inquiry into the Home Office's preparations for and response to Covid-19.	21/04/2020	Reviewed but not responding	No response	Policy and Standards team	We have reviewed the terms of reference for written evidence submissions and we are unable to comment on the specific areas of	

Consultation title	Organisation	Description	Deadline	Response status	Type of response	GPhC lead	Reasoning	Link to GPhC response
							interest. We are, however, strictly following all developments relating to COVID-19 and are publishing updates on our website for the benefit of our registrants and members of the public.	
<u>Medicines and Medical Devices Bill - call for written evidence</u>	House of Commons Public Bill Committee	A large proportion of the legal framework for medicines and medical devices in the UK derives from EU Directives and has been implemented into domestic legislation. At the end of the Transition Period, the European Union (Withdrawal) Act 2018 will have preserved these frameworks as "retained EU Law". The ECA, however, will no longer be available to the UK at this point to amend the regulations. There is no other 'general power' for updating these	23/04/2020	Reviewed but not responding	No response	LM (Executive Office), RO (Communications)	We have decided not to submit written evidence on this occasion. However, we are strictly following developments relating to the passage of the Bill through Parliament. We have prepared a detailed briefing on the Bill for inter-organisational use. In addition, Duncan was supposed to attend an evidence session in Parliament, which has been postponed due to the COVID-19 pandemic.	

Consultation title	Organisation	Description	Deadline	Response status	Type of response	GPhC lead	Reasoning	Link to GPhC response
		regulations, except through the introduction of primary legislation. The Medicines and Medical Devices Bill seeks to address this regulatory gap through introducing regulation-making, delegated powers covering the fields of human medicines, clinical trials of human medicines, veterinary medicines and medical devices. Its purpose is to enable the existing regulatory frameworks to be updated at the end of the Transition Period.						
<u>Unequal impact: Coronavirus (Covid-19) and the impact on people with protected characteristics</u>	Women and Equalities Committee	The Women and Equalities Committee has launched an inquiry and is accepting evidence on the different and disproportionate impact that the Coronavirus – and measures to tackle it – is having on people with protected characteristics under the Equality Act.	30/04/2020	Reviewed but not responding	No response	RO (Communications), LC (EDI)	We are not responding to this inquiry. However, we are following developments, as there might be relevant implications for our work	

Consultation title	Organisation	Description	Deadline	Response status	Type of response	GPhC lead	Reasoning	Link to GPhC response
<u>Single dose of HPV vaccine: call for evidence from the JCVI</u>	Department of Health and Social Care	The Joint Committee on Vaccination and Immunisation (JCVI) is asking for evidence to support a review of possible changes to the human papillomavirus (HPV) immunisation programme. JCVI is interested in relevant evidence to support consideration of the potential to move to a single-dose schedule of HPV vaccine for the routine programme and other alternative dose HPV schedules.	08/05/2020	Reviewed but not responding	No response	Policy and Standards team	We are not responding to this consultation as it falls outside our scope and remit. However, we will continue to monitor any relevant developments.	
<u>Coronavirus (COVID-19): framework for decision making</u>	Scottish Government	Seeking views on proposed changes to restrictions related to the coronavirus pandemic.	11/05/2020	Reviewed but not responding	No response	LF (Director for Scotland)	This falls outside our remit as it relates to general national matters. We will continue to monitor any relevant developments.	
<u>Good practice in prescribing and managing</u>	GMC	The GMC's call for evidence is asking for views on remote	18/02/2020	Reviewed but not responding	No response	Policy and Standards team	We met with the GMC at the beginning of this	

Consultation title	Organisation	Description	Deadline	Response status	Type of response	GPhC lead	Reasoning	Link to GPhC response
<u>medicines and devices</u>		consultations and prescribing via telephone, video-link or online.					year to discuss their guidance.	
<u>CPD (CET) review proposals</u>	GOC	This consultation seeks stakeholder views on proposals to introduce changes to the Continuing Education and Training (CET) scheme.	20/08/2020	Reviewed but not responding	No response	Education Team	We are not responding to this consultation. However, we are following developments, as there might be relevant implications for our work	
<u>Revised threshold criteria</u>	PSNI	The Council of the Pharmaceutical Society NI has launched a public consultation on revised Threshold Criteria.	11/03/2020	Reviewed but not responding	No response	Policy and Standards (FtP) Team	We are in regular contact with the PSNI and are aware that they considered our own threshold criteria when developing their own.	

Review of annual report and accounts 2019/20

Meeting paper for Council meeting on 11 June 2020

Public business

Purpose

To approve the statutory annual report and accounts for 2019/20

Recommendations

The Council is asked to:

- a) approve the combined annual accounts, annual report and fitness to practise report for 2019/20 (Appendix 1) .
- b) note the report of the external auditors (Appendix 2)
- c) authorise the Chair of Council to sign the letter of representation as required by the external auditors (Appendix 3)

1. Introduction

- 1.1 The Pharmacy Order 2010 requires the GPhC to publish annual reports and accounts, and to provide these to the Privy Council Office for laying before each House of Parliament and the Scottish Parliament. In summary, the GPhC must submit to the Privy Council Office each year:
 - annual accounts, with the external auditors' report;
 - an annual report, including how we adhere to good practice on equality and diversity;
 - an annual statistical fitness to practise report, with the Council's observations; and
 - a strategic plan.
- 1.2 The Privy Council Office has confirmed that it is content with Council's schedule for publication of the annual report, fitness to practise report and accounts following Council's June meeting.
- 1.3 The GPhC must submit copies of the combined report and accounts (Appendix 1) to the Privy Council Office shortly after the Council meeting, so that it can be laid in both Houses of Parliament, and the Scottish Parliament before the summer recess. A copy of the report will also be provided to the Welsh Assembly.

2. Key considerations

Preparation

- 2.1 The annual accounts were independently audited by Crowe UK LLP. The financial reporting framework that has been applied in their preparation is the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standard and applicable laws) including Financial Reporting Standard 102. A copy of the external auditor's report is at Appendix 2.

The GPhC's 'going concern' status

- 2.2 In preparing the annual accounts, we have given due consideration to the GPhC's going concern status. We have reviewed our current level of reserves alongside the projected levels of working capital, income and expenditure, and concluded there is sufficient level of resources and liquidity to meet our current requirements.
- 2.3 In assessing the GPhC's position, we have given particular consideration to the potential financial implications of the COVID-19 pandemic, including via an emerging financial impact review at May's FPC meeting. This review set out the potential impact on both income and expenditure relating to the COVID-19 pandemic. While there is still a degree of uncertainty around a number of decisions that are under consideration (as a consequence of the current circumstances), and the full financial impact of these decisions is not currently fully known, there is still a high degree of confidence in the GPhC's going concern status.

Annual performance

- 2.4 The annual report for 2019/20 represents the summary of the organisation's performance for the year, taking achievements from the annual plan and including financial and key statutory service performance information.
- 2.5 The Council is asked to note for assurance that a stocktake of the 2019/20 annual plan has been completed, ensuring those activities that were not fully completed are carried forward. These will be included in the two-phase approach to the reprioritisation of this year's annual plan and strategic plan as a result of the impact of Covid-19. This will be reported to Council separately.

3. Equality and diversity implications

- 3.1 The annual report sets out the actions we have taken to ensure we are compliant with legislative requirements on equality as well as our commitment to equality, diversity and inclusion more widely. This includes information about how we have continued to build equality and diversity into the work we do as a health professions regulator, a public service provider and an employer.
- 3.2 The annual report is produced bilingually, in English and in Welsh, in accordance with the requirements of the Welsh Language Act 1993.

4. Communications

- 4.1 We will publish the combined report on our website. In addition, we will send a link to the report to key organisations, covering the major stakeholders, including but not limited to pharmacy and patient representative organisations across Great Britain.
- 4.2 We will submit a copy of the report to the Professional Standards Authority.

5. Resource implications

- 5.1 . Publishing and communicating the annual report, accounts and fitness to practise report will be covered by existing budgets.

6. Risk implications

- 6.1 The GPhC is required by statute to submit the required reports to the Privy Council Office for laying before each House of Parliament and the Scottish Parliament.

7. Monitoring and review

- 7.1 The process for producing the annual report is reviewed annually to ensure that its content meets the relevant requirements, including financial reporting standards and other relevant external guidance.

8. Recommendations

The Council is asked to:

- d) approve the combined annual accounts, annual report and fitness to practise report for 2019/20 (Appendix 1) .
- e) note the report of the external auditors (Appendix 2)
- f) authorise the Chair of Council to sign the letter of representation as required by the external auditors (Appendix 3)

Duncan Rudkin, Chief Executive and Registrar
General Pharmaceutical Council

04 June 2020



Appendix 2

General Pharmaceutical Council

Year ended 31 March 2020

Audit Findings Report

Audit / Tax / Advisory / Risk

Smart Decisions. Lasting value.

Audit and Risk Committee
General Pharmaceutical Council
25 Canada Square
Canary Wharf
London
E14 5LQ

15 May 2020

Dear Committee Members

Audit for the year ended 31 March 2020

Following the completion of our audit fieldwork on the financial statements of the General Pharmaceutical Council ("GPhC") for the year ended 31 March 2020 we have the pleasure of submitting our Audit Findings Report setting out the significant matters which have come to our attention during our audit of which we believe you need to be aware of when considering the financial statements. The matters included in this report have been discussed with the GPhC's management during our audit and at our closing meeting on 11 May 2020. Saleem Akuji and Jonathan Bennetts have seen a draft of this report and we have incorporated their comments and/or proposed actions where relevant. Tim Redwood will be attending your meeting on 2 June 2020 and will be pleased to provide any further information or clarification you may require.

The final audit fieldwork was conducted remotely using a secure cloud-based document sharing facility and Skype, this allowed the process to continue efficiently. We were able to obtain all the information we needed to complete our work remotely; all information was provided to us promptly and was supported by clear explanations to which we would like to express our appreciation for as well as the assistance provided to us by the finance team and the other staff at the GPhC during this year's audit.

Use of this report

This report has been provided to the Audit Committee to consider and ratify on behalf of the Council, in line with your governance structure. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared and is not intended for any other purpose, it should not be made available to any other parties without our prior written consent.

Yours sincerely

Crowe U.K. LLP

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1. Audit overview

Audit scope and approach

Our audit work has been undertaken for the purposes of forming our audit opinion on the financial statements of the GPhC prepared by management with the oversight of the Council and has been carried out in accordance with International Standards on Auditing (UK) ('ISAs').

Our work combined substantive procedures (involving the direct verification of transactions and balances on a test basis and including obtaining confirmations from third parties where we considered this to be necessary) with a review of certain of your financial systems and controls where we considered that these were relevant to our audit.

We have commented below on matters that need to be finalised before we complete our audit and also later in this report on our approach to the key audit risks. Subject to the satisfactory completion of the outstanding matters, we will have obtained sufficient audit evidence and that there have not been any restrictions or limitations on our audit.

Communicating significant findings from our audit

We are required by ISAs to communicate with the Council as "those charged with governance" various matters from our audit including:

- our views about significant qualitative aspects of the GPhC's accounting practices, including accounting policies, accounting estimates and financial statement disclosures,
- significant difficulties, if any, encountered during the audit,
- any significant matters arising during the audit and written representations we are requesting,
- circumstances that affect the form and content of our auditor's report, if any, and
- any other significant matters arising during the audit that, in our professional judgment, are relevant to the oversight of the financial reporting process.

We have included comments in relation to this where relevant in the subsequent sections of this report.

We also report to you any significant deficiencies in internal control identified during our audit which, in our professional judgment, are of sufficient importance to merit your attention. We confirm that we have no significant control deficiencies identified from our audit which we need to bring to your attention.

You should note that our evaluation of the systems of control at the GPhC was carried out for the purposes of our audit and accordingly it is not intended to be a comprehensive review of systems and processes. It would not necessarily reveal all weaknesses in accounting practice or internal controls which a special investigation might highlight, nor irregularities or errors not material in relation to the financial statements.

Audit completion

We have substantially completed our audit in accordance with our Audit Planning Report which was sent to you and the senior management team on 11 January 2020, subject to the matters set out below.

- Remaining conflict of interest forms
- Completion of post-Balance Sheet events reviews.
- Review of the final financial statements.
- Receipt of the signed letter of representation.

We will report to you orally in respect of any modifications to the findings or opinions contained in this report that arise on completion of the outstanding matters. On satisfactory completion of the outstanding matters, we anticipate issuing an unmodified audit opinion on the truth and fairness of the financial statements.

Key audit matters

In Section 2 we have discussed in detail the findings from our work in relation to this year's audit.

Additionally, going concern has become an increased risk area for all organisations given the current unprecedented environment surrounding COVID-19 and we have considered the impact of COVID-19 on the Council's report and financial statements

Materiality and identified misstatements

As we explained in our Audit Planning Report, we do not seek to certify that the financial statements are 100% correct; rather we use the concept of "materiality" to plan our sample sizes and also to decide whether any errors or misstatements discovered during the audit (by you or us) require adjustment. The assessment of materiality is a matter of professional judgement but overall a matter is material if its omission or misstatement would reasonably influence the economic decisions of a user of the financial statements.

The audit materiality for the financial statements set as part of our audit planning took account of the level of activity of the GPhC and was set at approximately 1.5% of income. We have reviewed this level of materiality based on the draft financial statements for year ended 31 March 2020 and are satisfied that it continues to be appropriate.

We also report to you any unadjusted individual errors other than where we consider the amounts to be trivial, and for this purpose we have determined trivial to be approximately 5% of our audit materiality.

We are pleased to report that there are no remaining unadjusted items identified from our audit in excess of the above trivial limit.

Ethical Standard

We are required by the relevant Revised Ethical Standard for auditors issued by the Financial Reporting Council ('FRC') to inform you of all significant facts and matters that may bear upon the integrity, objectivity and independence of our firm.

Crowe U.K. LLP has procedures in place to ensure that its partners and professional staff comply with both the relevant Revised Ethical Standard for auditors and the Code of Ethics adopted by The Institute of Chartered Accountants in England and Wales.

As explained in our audit planning report, in our professional judgement there are no relationships between Crowe U.K. LLP and The GPhC or other matters that would compromise the integrity, objectivity and independence of our firm or of the audit partner and audit staff. We are not aware of any further developments which should be brought to your attention.

Legal and regulatory requirements

In undertaking our audit work we considered compliance with the following legal and regulatory requirements, where relevant.

- Financial Reporting Standard 102 (FRS 102)
- Pharmacy Order 2010

Financial statements

The Council of the GPhC are responsible for the preparation of the financial statements on a going concern basis (unless this basis is inappropriate). The Council are also responsible for ensuring that the financial statements give a true and fair view, that the process your management go through to arrive at the necessary estimates or judgements is appropriate, and that any disclosure on going concern is clear, balanced and proportionate.

2. Areas of Audit Focus

We reported in our Audit Planning Report a number of areas we identified as having specific audit risk including the potential risk from management override of controls which auditing standards deem to be a significant risk for all audits. We have commented below on the results of our work in these areas as well as on any key additional risks, judgements or other matters in relation to the financial statements of the GPhC identified during our audit.

2.1 Impact of Covid-19 on disclosures and going concern

We explained in our Audit Planning Report that in preparing the financial statements to comply with Financial Reporting Standard 102, the Council are required to make an assessment of the organisation's ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, the Council are required to consider all available information about the future of the organisation in the period of at least, but not limited to, twelve months from the date when the financial statements are approved and authorised for issue.

The Council's going concern assessment is a key area of emphasis and importance for our audit and, in accordance with the requirements of ISAs (UK), our audit report includes a specific reference to going concern.

Management have provided us with their assessment of the impact of Covid-19 on the GPhC's finances. Although there is likely to be some adverse effect on income, for example in relation to registration assessments, overall the impact is expected to be limited. In terms of expenditure there are expected to be cost savings in some areas with some spend deferred until the end of 2020/21 or later. Importantly the GPhC has reserves held in cash deposits which will provide support in managing any unexpected fluctuations in income and expenditure.

Management have concluded that the Covid-19 outbreak has not impacted on the going concern status of the GPhC due to the level of continuing funds available. Management have also concluded that there are no other material uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern which require disclosure in the financial statements. Accordingly, the Council have concluded that the going concern basis continues to be appropriate in preparing that the financial statements and that adequate additional disclosures have been included to explain the impact of Covid-19 on the GPhC.

We considered the assumptions adopted by management regarding going concern to be reasonable and have concluded that no changes need to be made to our audit report. We were satisfied with the disclosures included in the Annual Report in relation to Covid-19.

However we would note that the full financial impact of the Corona virus will remain uncertain until there is more certainty around how key statutory functions will operate in the longer term.

To assist our clients to identify the key reporting implications we have published a report "Coronavirus: financial reporting issues for charities" and most of the matters discussed will be of relevance to the GPhC. this is available on our website <https://www.crowe.com/uk/croweuk/insights/covid-19-financial-reporting-charities>.

2.2 Recognition of registration fees

Registration and pre-registration fees totalled £23.2m in the 2020 financial statements. The GPhC does not have a fixed renewal date for all registrants and instead the registration period commences on the date that their name was entered onto the register. As the GPhC's registration fee covers a 12-month period it is necessary to pro rate each registration fee in order to recognise the correct proportion in each financial year.

During our audit fieldwork we carried out a mixture of substantive and analytical procedures, with the aim of obtaining assurance that registration fees were recognised appropriately and materially complete. Specifically we:

- Documented our understanding of registration fees including how they were received and how it is ensured that all fees are recorded and appropriately recognised;
- Developed expectations over the level of fee income to be recorded in the financial statements taking into consideration the number of individuals on the register at each level and published registration fees; and

- Substantively tested a sample of fee income, ensuring that it was recorded in line with the individual's registration date and at the correct level.

Our testing in this area was satisfactory and we have no matters to bring to your attention.

2.3 Completeness of Liabilities in respect of Regulatory Cases

The GPhC's activities include investigating and acting where concerns have been reported in respect of registrants. Legal costs are incurred by the GPhC as solicitors provide information to support decision making in respect of regulatory cases. In addition, there is a risk around a need to pay legal costs in respect of a registrant should a case be appealed.

This may require the GPhC to provide for costs, in accordance with 'FRS102 Section 21: Provisions and contingencies'. Under FRS 102 a liability should be recognised if there is an obligation as a result of a past (pre year-end) event at the reporting date, it is more likely than not that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably.

We held discussions with the Senior Professional and Systems Regulation Lawyer regarding cases outstanding at year end to understand if there were any potential liabilities. We noted there were two cases which were appealed to the High Court in 2019-20 which haven't yet been heard. Both are appeals against removal from the register which the GPhC are defending having assessed there is a better than 50% chance of successfully defending them. The GPhC considers that the risk of a significant liability arising from these cases is remote and so no contingent liability has been disclosed.

We also noted a third case which initially was an appealed in the high court which the GPhC won. The registrant is now appealing to the Court of Appeal, but there is no automatic right to do this. Whilst there is precedent for such appeals it is considered to be very rare and therefore the GPhC believe there is remote chance this will be granted. As such no contingent liability has been disclosed in the accounts.

We also reviewed records of hearings around the year end and the cut off applied to the main supplier for legal services. All legal costs reviewed had been recognised in the correct year.

We did not identify any issue from our work in this area.

2.4 Intangible Fixed Assets

During the year, total costs of £285k has been capitalised primarily in relation to the Application Programme Interface and Registration Online Services within intangible fixed assets.

As per FRS102, an intangible asset shall be recognised if, and only:

(a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and

(b) the cost or value of the asset can be measured reliably.

FRS 102 does not specifically address the capitalisation of intangible fixed assets which relate to furthering a not for profits objectives rather than those which generate economic benefits through increasing future cash inflows or decreasing outflows. However, in common with 'for profit' entities an intangible fixed asset can either be separately acquired or internally generated.

For a separately acquired asset the probability condition in (a) above is always considered to have been satisfied and it is rare in the sector that the cost or value of the asset cannot be reliably measured. As a result, the separately acquired asset is usually capitalised.

In the case of internally generated intangible fixed assets, FRS 102 states:

An entity may recognise an intangible asset arising from development (or from the development phase of an internal project) if, and only if, an entity can demonstrate all of the following:

(a) The technical feasibility of completing the intangible asset so that it will be available for use or sale.

(b) Its intention to complete the intangible asset and use or sell it.

(c) Its ability to use or sell the intangible asset.

(d) How the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.

(e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

(f) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Where an entity adopts a policy of capitalising expenditure in the development phase that meets the conditions of [(a) – (f) above] that policy shall be applied consistently.

In general, we see other regulators and not for profits we work with capitalising major IT developments although a distinction needs to be made between a new development and maintenance or updates to existing systems which in general are written off.

As part of our work we discussed the nature of the projects with management and reviewed a sample of invoices against the accounting standards and noted these had been correctly capitalised. We also enquired of management if there were any indicators of impairment to in development or existing intangible assets.

No issues were noted from our work in this area.

2.5 Payroll

Payroll is the largest single expenditure item for the GPhC at £12.7m for the year ended 31 March 2020 (2019: £12.6m). We performed analytical procedures, which considered gross pay, deductions and staff numbers to ensure all trends and relationships appeared reasonable and that the totals agreed with the ledger. As part of our audit we reviewed the systems in place over monthly processing including the reconciliation of the payroll to the nominal ledger.

We tested a sample of employees to supporting documentation to confirm that they were being paid at authorised levels. We confirmed that a selection of individuals starting or ending employment during the period had been correctly added or removed from the payroll. We also reviewed the basis for preparation of the disclosures around key management personnel and staff numbers and confirmed that these were materially correct.

We did not note any issues to draw to Council's attention in relation to this area.

2.6 Council and Committee allowances and expenses

The Council receive remuneration including honorariums and allowances as well as reimbursed expenses for travel and subsistence. Payments of this kind represent a significant expense for the GPhC. Council members are paid

through the payroll and we therefore included a sample of members as part of our payroll testing. In respect of Council expenses, we selected a sample of payments to individuals and confirmed they were correctly authorised and that there was sufficient documentation to support the amount paid.

There were no issues to draw to the attention of the Council in this area.

2.7 Other balance sheet items

We carried out our standard audit procedures on the other material balance sheet accounts. Our work included testing key control account reconciliations; testing bank reconciliations; reviewing post year end transactions where these helped to confirm the year end position, and reviewing confirmation of assets held.

We reviewed the basis for the release of the lease incentive creditor included in the financial statements and confirmed that sufficient disclosures were included.

Dilapidation Provision

In 2018 the GPhC included a dilapidation provision for reinstatement costs of £1.4m which will need to be incurred when the Canada Square lease ends. We sought an update from management as part of our 2020 audit and confirmed that no matters had arisen during the year which would change the assessment of the liability.

We have asked the Council to confirm in the letter of representation that they are satisfied that the current provision represents the best estimate of the GPhC's liability under the lease as at 31 March 2020.

2.8 Internal audit

The GPhC have an internal audit function which reports to the Audit & Risk Committee. We communicated with the internal audit function regarding the work undertaken in the year including their report on Key Financial Controls. We considered the impact of their work on the audit process as part of our risk assessment and performed additional work around journal entries.

2.9 Management override of controls

Auditing standards require us to consider as a significant audit risk, areas of potential or actual management override of controls. In completing our audit we have therefore considered the following matters.

Significant accounting estimates and judgements

Management have made a number of necessary accounting estimates and judgements which impact the financial statements. We identified the assumptions adopted by management regarding provisions and capitalisation of intangible assets for specific review and the results are set out above.

Controls around journal entries and the financial reporting process

We reviewed and carried out sample testing on the GPhC's controls around the processing of journal adjustments (how journals are initiated, authorised and processed) and the preparation of the annual financial statements. We also considered the risk of potential manipulation by journal entry to mask fraud.

We did not identify any instances of management override of controls. Management did however flag to us early in our audit an issue surrounding the implementation of journal authorisation work flows. Journals over £20k are required to be authorised through a work flow process in the accounting system but the finance team found they were still able to post journals over £20k without approval. This was subsequently corrected by the external consultants. We did

not identify any issues in relation to journals tested during the time when this system weakness was in place. In addition, we performed additional work to confirm that the process issues had been subsequently resolved. We reviewed a selection of journals over £20k following the system changes and noted they were authorised properly through the work flow.

We have included an update on previously raised control point in this area in Appendix 1 of our report. No other issues were noted from our testing in this area.

Significant transactions outside the normal course of business

We are required to consider the impact on the financial statements if there are any significant transactions occurring outside of the normal course of the GPhC's business.

No such transactions were notified to us by management, nor did any such transactions come to our attention during the course of our work.

3. Fraud and error

In our Audit Planning Report, we explained that the responsibility for safeguarding the assets and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the Council of the GPhC.

In accordance with International Auditing Standards, we planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements or accounting records (including any material misstatements resulting from fraud, error or non-compliance with law or regulations).

However, no internal control structure, no matter how effective, can eliminate the possibility that errors or irregularities may occur and remain undetected. In addition, because we use selective testing in our audit, we cannot guarantee that errors or irregularities, if present, will be detected. Accordingly, our audit should not be relied upon to disclose all such misstatements or frauds, errors or instances of non-compliance as may exist.

As part of our audit procedures we made enquiries of management to obtain their assessment of the risk that fraud may cause a significant account balance to contain a material misstatement. Usually fraud in the non-profit sector is not carried out by falsifying the financial statements. Falsifying statutory financial statements usually provides little financial benefit, as compared to say a plc where showing a higher profit could lead to artificial share prices or unearned bonuses. However, falsifying financial statements can be used to permit a fraud or to avoid detection. As a generality, organisations represented by its management do not actively try to falsify financial statements as there are not the same incentives to do so. In the non-profit world fraud is usually carried out through misappropriation or theft.

We have reviewed and discussed the accounting and internal controls systems management has put in place to address these risks and to prevent and detect error. However, we emphasise that the Council, Audit Committee and management should ensure that these matters are considered and reviewed on a regular basis.

We have included the following statements in the letter of representation which we require from the Council when the financial statements are approved.

- The Council acknowledge their responsibility for the design and implementation of internal control to prevent and detect fraud and errors.
- The Council have assessed that there is no significant risk that the financial statements are materially misstated as a result of fraud.
- The Council are not aware of any fraud or suspected fraud affecting the organisation involving management, those charged with governance or employees who have a significant role in internal control or who could have a material effect on the financial statements.
- The Council are not aware of any allegations by employees, former employees, regulators or others of fraud, or suspected fraud, affecting the GPhC's financial statements.

We draw your attention to bullet point 2 above which presupposes that an assessment has been made.

Management informed us of an incident previously notified to the Committee regarding applicant and registrant credit card details. Management have performed a full investigation and noted there was no evidence of any issues connected to GPhC.

We have not been made aware of any other actual or potential frauds which could affect the 2020 financial statements, or in the period since the previous year end.

We emphasise that this section is provided to explain our approach to fraud and error, but the responsibility to make and consider your own assessment rests with yourselves.

Considering risks of fraud

There is evidence that during times of economic instability there is an increased risk of fraud. This may be because resource constraints can reduce internal controls and oversight and also because individuals facing hardship may be more likely to consider fraudulent practices.

The following provides further information on the three kinds of fraud that organisations such as the GPhC should consider.

a) Frauds of extraction

This is where funds or assets in possession of the non-profit are misappropriated. Such frauds can involve own staff, intermediaries or partner organisations since they require assets that are already in the possession of the entity being extracted fraudulently. This could be by false invoices, overcharging or making unauthorised grant payments.

Essentially such frauds are carried out due to weaknesses in physical controls over assets and system weaknesses in the purchases, creditors and payments cycle. The cycle can be evaluated by considering questions such as who authorises incurring a liability and making a payment. On what evidence? Who records liabilities and payments? Who pays them and who checks them?

The close monitoring of management accounts, ledger entries and strict budgetary controls are also generally seen as an effective way of detecting and deterring frauds in this area.

Staff should be made aware of the increasing use of mandate fraud. This is where when the fraudster gets the organisation to change a direct debit, standing order or bank transfer mandate by purporting to be a supplier or organisation to which the non-profit make regular payments.

Insufficient due diligence around requests to amend supplier or payroll details has led to payments to unauthorised individuals so sufficient checks in these areas is of increasing importance.

Some organisations have also been victims of what is being termed CEO fraud, although it does not involve the CEO. In this case cyber criminals spoof company email accounts and impersonate executives to try and fool an employee in accounting or HR into executing unauthorised wire transfers or sending out confidential information.

This type of phishing scam is a sophisticated scam targeting businesses working with foreign suppliers and/or businesses that regularly perform wire transfer payments. The scam is carried out by compromising legitimate business e-mail accounts through social engineering or computer intrusion techniques to conduct unauthorised transfers of funds. Action Fraud, the UK's national fraud and cyber-crime reporting centre has reported an increase in fraud and scams relating to COVID-19, including a rise in phishing emails where the fraudster attempts to trick people into opening malicious attachments which

could lead to fraudsters stealing people's personal information, email logins and passwords, and banking details.

Organisations should therefore ensure that they reiterate their procedures to employees and raise awareness of fraud preventions across their organisations. All employees should exercise real scepticism and not make any payments which are not properly supported and outside the normal payment mechanisms. To paraphrase Action Fraud's recommendations, which are particularly significant as staff are working remotely and some working different hours in order to manage the challenges of working from home:

- Ensure all staff, not just finance teams, know about current frauds and scams.
- Have a system in place which allows staff to properly verify contact from their CEO or senior members of staff; for example having two points of contact so that the staff can check that the instruction which they have received from their CEO is legitimate.
- Always review financial transactions to check for inconsistencies/errors, such as a misspelt company name.
- Consider what information is publicly available about the business and whether it needs to be public.
- Ensure computer systems are secure and that antivirus software is up to date.

All employees should exercise real scepticism and not make any payments which are not properly supported and / or outside the normal payment mechanisms.

b) Backhanders and inducements

There is also an inherent risk that individuals who are able to authorise expenditure or influence the selection of suppliers can receive inducements to select one supplier over the other. This risk can be mitigated by robust supplier selection and tendering procedures.

c) Frauds of diversion

This is where income or other assets due to the GPhC are diverted before they are entered into the accounting records or control data. Essentially, it is easy to

check what is there but very difficult to establish that it is all there. Therefore, ensuring the completeness of income provided to the organisation becomes difficult. This is less of a risk where the collection of income is closely tracked and monitored as is the case for the GPhC.

Appendix 1 - Update from last year

We have set out below the systems and control issues on which we reported after our audit last year together with an update on how the points raised have been addressed including information on the progress made at the time of the audit of the 2019 financial statements.

Recommendation fully implemented or no longer relevant	
Recommendation partially implemented	
No progress on recommendation	

Please note that these colour coding is based on the status of the actions taken rather than the severity of the observation which is shown against the observation itself.

Observations in 2019		Update 2020
<p>1. Independent review of journals</p> <p>During our audit we noted that the finance system allows anyone with access to post a journal without it being subject to an independent review until the month end process is complete. At this point a full transaction listing is downloaded and a sample of journals checked by the Head of Finance. We understand that this listing can run to 5,000 journal entries.</p> <p>It was noted by internal audit that user access controls are maintained by the Financial Controller who also has administrative access rights to the system and thus, can add, remove or modify user access rights.</p> <p>This increases the risk of potential of fraud through manipulation of journals entries or incorrect journals being posted.</p> <p>From discussions with management we understand this will be addressed as part of the finance system upgrade due to take place in 2019/20. We would emphasise the need to ensure that any changes to systems and controls around journals be risk-based and consider other mitigating controls so that the finance team are able to apply the right level of scrutiny to those transactions where there is the highest risk of an issue arising.</p>		<p>As part of the upgrade to Business Central, we have observed the creation of workflows to authorise journals before they are posted and noted these controls working effectively since initial systems issues were correct.</p> <p>We are aware management are now content with the controls over journals and as such we have now closed this issue.</p>

Appendix 2 - Reporting audit adjustments

International Standards on Auditing (UK) require that we report to you all misstatements which we identified as a result of the audit process but which were not adjusted by management, unless those matters are clearly trivial in size or nature.

Our audit approach is based on consideration of audit materiality as explained in section 1 of this report. We determine materiality for the purposes of the GPhC's statutory reporting by our judgement as to what adjustments would influence the readers' perceptions of the financial statements. We do not therefore seek to review all immaterial amounts.

For the purpose of reporting non-trivial items identified as a result of our audit work which have not been adjusted in the financial statements we set out in our Audit Planning Report we would report unadjusted misstatements greater than £20k unless they are qualitatively material at a lower amount.

We are pleased to report that there are no remaining unadjusted items identified from our audit in excess of the above trivial limit.

Appendix 3 - Draft representation letter

St. Bride's House
10 Salisbury Square
London
EC4Y 8EH

Dear Sirs

We provide this letter in connection with your audit of the financial statements of the General Pharmaceutical Council (the GPhC) for the year ended 31 March 2020 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view its financial position as at 31 March 2020 and of the results of its operations for the year then ended in accordance with UK Generally Accepted Accounting Practice ("UK GAAP").

We confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourselves that, to the best of our knowledge and belief, we can properly make each of the following representations to you.

1. We have fulfilled our responsibility for the fair presentation of the financial statements in accordance with UK GAAP.
2. We acknowledge as council members our responsibility for making accurate representations to you and for the financial statements of the GPhC.
3. We acknowledge our responsibility for the design and implementation of internal controls to prevent and detect fraud and errors.
4. We have provided you with all accounting records and relevant information, and granted you unrestricted access to persons within the entity, for the purposes of your audit.
5. All the transactions undertaken by the GPhC have been properly reflected and recorded in the accounting records or other information provided to you.
6. Other than those items already disclosed to you we are not aware of any actual or possible litigation or claims against the GPhC whose effects should be considered when preparing the financial statements.
7. There have been no events since the balance sheet date which require disclosure or which would materially affect the amounts in the financial statements. Should any material events occur which may necessitate revision of the figures in the financial statements, or inclusion in a note thereto, we will advise you accordingly.
8. We confirm that we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. We have assessed that there is no significant risk that the financial statements are materially misstated as a result of fraud.
9. We are not aware of any fraud or suspected fraud affecting the GPhC involving management, those charged with governance or employees who have a significant role in internal control or who could have a material effect on the financial statements.
10. We are not aware of any allegations by employees, former employees, analysts, regulators or others of fraud, or suspected fraud, affecting the GPhC's financial statements.
11. We confirm that we are not aware of any known or suspected instances of non-compliance with those laws and regulations which provide a legal framework within which the GPhC conducts its business.

12. We confirm that complete information has been provided to you regarding the identification of related parties and that we are not aware of any significant transactions with related parties.
13. We confirm we have appropriately accounted for and disclosed related party relationships and transactions in accordance with the requirements of applicable accounting standards
14. In respect of accounting estimates and judgements, we confirm our belief that the significant assumptions used are reasonable.
15. In the event that we publish the councils' report, independent auditor's report and financial statements electronically, we acknowledge our responsibility for ensuring that controls over the maintenance and integrity of the entity's web site are adequate for this purpose.
16. We confirm that, having considered our expectations and intentions for at least the next twelve months and the availability of working capital, the GPhC is a going concern. We are not aware of any events, conditions, or business risks beyond the period of assessment that might cast significant doubt on the GPhC's ability to continue as a going concern.
17. We confirm that the provision included in the financial statements for dilapidations represents our best estimate of the final liability that will be realised at the end of the lease.

Yours faithfully,

.....

Council Member

Signed on behalf of the Council

On

Appendix 4 - External developments

We have summarised below some of the developments and changes in the non-profit sector over the recent period which we believe may be of interest and relevant to you. Please note that this information is provided as a summary only and that you should seek further advice if you believe that you have any specific related issues or intend to take or not take action based on any of the comments below. Although some guidance relates to charities it is largely relevant to the GPhC.

We issue a regular technical briefing for mm by email. If you would like to receive this please email your details to nonprofits@crowecw.co.uk. Alternatively, these briefings are available in the resource library on [our website](#).

Governance

COVID-19 (Coronavirus) - Managing the impact.

It is difficult to predict the financial or operational implications of the outbreak of COVID-19 on the UK economy or the organisations which operate within it. Evidence from other countries where there has been a significant outbreak suggests a slowdown in economic activity either as a result of governmental response or from changes in individual behaviors. This could therefore be significant for all organisations including charities.

<https://www.crowe.com/uk/croweuk/insights/covid-19-hub>

More specifically for charities, reduced funding, an unavailable workforce or a drop in visitor numbers are just a handful of the issues that could affect different charities in the coming weeks as the impact of coronavirus becomes clearer. It is important for organisations to start scenario planning and revisit their strategies to reduce any potential impact. Our blog written for the Charity Finance Group on the 11th of March 2020 highlights a number of areas charities need to consider in their scenario planning, budgeting, forecasting and risk registers. You can read the full blog on the Charity Finance Group's website: https://www.cfg.org.uk/covid19_what_planning_should_charities_be_undertaking

We have also issued an update considering the potential impact of the new COVID-19 (coronavirus) on the yet to be published annual reports and financial statements of charities: <https://www.crowe.com/uk/croweuk/insights/covid-19-financial-reporting-charities>

We will be working hard to share any information and knowledge required by charities during this crisis and will update our website regularly and through our social media links.

The Charity Commission has published "Guidance to help with running your charity during the coronavirus (COVID-19) outbreak" <https://www.gov.uk/government/news/coronavirus-covid-19-guidance-for-the-charity-sector>. This guidance is updated regularly as issues are raised with the Commission pertaining to charities.

Workplace bullying in non-profits and the implications for leadership

The government, Charity Commission and umbrella organisations have initiated urgent work to address the safeguarding challenges within the charity sector in response to the reports in recent years of abusive organisational cultures as well as revelations about sexual exploitation and abuse of beneficiaries within the international aid sector.

Within this response a report '*In Plain Sight: Workplace bullying in charities and the implications for leadership*' has been funded by the Department for Digital, Culture, Media and Sport (DCMS) and produced as a collaboration between ACEVO, the Association of Chief Executives of Voluntary Organisations, and Centre for Mental Health.

The investigation and report draws upon the voices of victims of bullying in charities to describe the conditions in which it occurs and might persist, and provides analysis and recommendations for what charity leaders should do to create safer working cultures.

As well as providing a summary of the results of a detailed anonymous online survey returned by over 500 respondents, in-depth interviews with 20 victims of bullying, and personal accounts of victims of bullying, the report also provides information on relevant government and Charity Commission policy and advice as well as other charity sector initiatives.

In its conclusions, the report identifies six sector-specific systemic stressors and three key cultural and relational factors linked to the management of conflict, which appear particular to charitable organisations' culture and behaviour.

- weaknesses in governance and senior leadership
- weaknesses in organisational policies, procedures and practices
- a lack of information, skills and confidence within the charity workforce to identify and respond to bullying
- uncertainty among victims and charities about the regulatory framework and the specific remit of the Charity Commission in relation to bullying
- the absence of any sector-wide initiative to respond to bullying or promote healthier workplace cultures
- the absence of internal or external recourse for victims of bullying, or for concerned charity leaders
- charities become preoccupied internally with the same kinds of conflict they deal with in their mission – 'mirroring'
- breakdown of trusting and respectful working relationships
- failure to acknowledge or resolve internal conflict over time, leading to patterns of emotionally abusive behaviour becoming established within organisational culture.

There is zero tolerance in the government response to safeguarding and addressing bullying cultures in both the international sector and domestic charities – it is an absolute requirement for charity leaders to put in place robust and effective systems for internal leadership and management to identify, report, investigate and deal with misconduct, and to remove wrongdoers. The report includes five detailed recommendations covering areas of governance, policy, the regulatory framework and sectoral cultural change.

The report is intended to be read by staff, managers and leaders within the charity sector, as well as policy makers and the victims of bullying who participated in the online survey and interviews.

The full report is available from the ACEVO website <https://www.acevo.org.uk/wp-content/uploads/2019/07/In-Plain-Sight.pdf>.

Preventing fraud

The Fraud Advisory Panel, supported by the Charity Commission, has recently published a report *'Preventing Charity Fraud: Insights and Action'*.

Ten years on from a report by the Fraud Advisory Panel on fraud in the charity sector, the Commission (partnered with the Fraud Advisory Panel) repeated and extended the scope of that survey, contacting a representative sample of 15,000 registered charities across England and Wales. With a 22% response rate, this is the largest ever analysis of fraud committed against UK charities.

The report on Preventing Charity Fraud highlights a number of conclusions, including a significant increase over the 10 years in the detrimental impact of fraud on charities, especially on their reputation. The report also finds that excessive trust is the main contributory factor that allows fraud to occur, suggesting more needs to be done to embed a culture of scrutiny and appropriate challenge.

In response the report highlights a number of actions for charities including the need to boost resilience, focussing on preventing fraud rather than waiting until after they've fallen victim, and reviewing their financial controls on a regular basis. It also highlights eight principles of good counter-fraud practice and provides a Fraud Prevention Checklist which lists nine actions to be assessed by charity Trustees, staff and volunteers. The full report can be accessed from the GOV.UK website <https://www.gov.uk/government/publications/preventing-charity-fraud-insights-and-action>

Preventing cybercrime

Linked to the survey and report on charity fraud, the Fraud Advisory Panel has also published a report *'Preventing Charity Cybercrime: Insights and Action'*.

A positive conclusion from the report is that charities are increasingly aware of the risk of cybercrime. Perhaps not unexpected, larger charities are more likely to appreciate the threat, probably because they generally have a greater capability to detect cybercrime. Many small and medium sized charities are less aware of the cybercrime threat, and therefore likely to have fewer processes in place to help mitigate risk.

The report recognises that large charities are more likely to be the victim of a cybercrime than smaller charities, with phishing/malicious emails the most common method of attack. It highlights the need for charities to raise awareness

of cybercrime and encourage Trustees, staff and volunteers to raise concerns, especially where phishing attacks and malicious emails are suspected. It also emphasises that charities should clarify responsibility for managing the risk of cybercrime and ensure it is a governance priority for the Board.

As well as providing various conclusions and actions, the report also emphasises that public trust and confidence in the sector relies upon good governance in charities and that within this, ensuring effective cyber security is a vital component. The full report can be accessed from the GOV.UK website <https://www.gov.uk/government/publications/preventing-charity-cyber-crime-insights-and-action>

Fraud Advisory Panel resources

To provide access to the knowledge, skills and resources to protect against fraud and cybercrime, the Fraud Advisory Panel have set up an online resource centre - <https://www.fraudadvisorypanel.org/resource/> - to provide easy access to a collection of free guides and other tools designed to improve awareness and resilience in charities.

Taxation

Off-payroll working new rules and how they affect you

In July 2019, new draft off-payroll working rules were published introducing changes to the current regime, known as “IR35”.

The new rules were due to take effect from April 2020 but have now been postponed to April 2021 in response to the outbreak of Covid-19. They require organisations engaging workers via a personal service company (PSC) or other similar intermediary to check whether the individual providing the services should be treated as an employee or self-employed for tax purposes. If these checks show that the relationship is effectively one of employment, and therefore IR35 will apply, the business paying the PSC will have to deduct PAYE and NIC from payments made for the worker’s services. Previously it was the responsibility of the PSC to make these deductions, but HMRC’s view was that fewer than 10% of these organisations actually complied.

Small businesses will initially be exempt. For incorporated entities a small business is defined as one that meets two of the following three criteria:

- a turnover of less than £10.2 million

- a balance sheet of less than £5.1 million
- fewer than 50 employees.

However, an unincorporated entity need only exceed the £10.2 million turnover figure to be considered “not small”.

It is essential that affected charities take action now to ensure that they are ready to comply with the new regime from April 2021 by identifying all off-payroll workers and reviewing the terms of engagement and the necessary policies and procedures put in place. This will include documenting the engagers’ conclusions regarding the employment status of the worker and issuing a “Status Determination Statement” to the worker, the PSC and any other intermediary (such as an agency) in the chain of engagement.

If a charity establishes that the new rules will apply and that it should be deducting PAYE and NIC from payments made to a worker, it will need to evaluate the cost of the employer’s NIC which will also apply, as well as any Apprenticeship Levy payments. This will need to be built into budgets going forward, and many engagers may re-evaluate the rates they are prepared to pay freelance workers as a result.

If the charity continues to engage with PSCs, remember that it is the charity’s responsibility to perform and evidence an employment status check on the individual. Employment status is a subjective area based on case law rather than legislative tests and, as a result, there is an embedded risk.

The risk of getting the status wrong is expensive; not only would the charity, as the engager, be subject to interest costs and potentially penalties for failure to operate PAYE correctly, but it opens up the possibility of back taxes on the individual worker for four or six years, depending on the specific rules applied. NIC can also be charged going back six years.

Extension to eligibility to join VAT groups

New VAT legislation has now been introduced which allows entities that are not ‘corporate bodies’, but which control other entities, to be included within a VAT group.

Prior to 1 November 2019, all members of a VAT group were required to be corporate entities (i.e. established by Royal Charter, Act of Parliament or as a company Limited by Guarantee) and consequently trusts, partnerships and individuals were not allowed to be included.

While many charities do have corporate status there are also many charities established as trusts that, while having ultimate control of other companies within a group, have not been able to join or form VAT groups because they are not incorporated.

A VAT group is a facilitation that allows entities that fall under common control to form a single VAT entity. Members of a VAT group are, therefore, not required to apply VAT to intra-group charges. In some cases this can save VAT where the group contains entities that are unable to recover VAT on costs in full (because they make exempt and/or 'non-business' supplies) and can also save on administration since one VAT return is submitted that aggregates all group members' activities.

If you have a 'non-corporate' entity, such as a charitable trust that has not been able to be part of, or form, a VAT group previously, there may be a benefit in applying to HMRC for group treatment. However, before doing this it is important to consider whether forming or changing a VAT group would require detrimental changes to existing partial exemption and/or business/non-business methods.

VAT zero rating on digital publications

Charities or their subsidiaries who have been accounting for VAT on digital publications at the standard rate may have an opportunity to submit a claim for overpaid output tax. HMRC's previous position that digital publications are not able to benefit from zero rating unlike physical/printed versions has been overruled in a recent Upper Tier Tribunal decision. It may also potentially allow charities to move to more digital publications in the future.

We expect that HMRC will appeal against this decision and so the matter is unlikely to be concluded in the near future. However, due to the four-year statutory limit on adjusting VAT claims and the length of time that may be taken if HMRC are to appeal, our recommendation is that protective claims are submitted to HMRC going back four years in order to protect any over-paid VAT going 'out of time'.

Until the dispute is finally resolved and/or HMRC issues updated guidance, we would recommend that taxpayers continue to account for VAT on digital publications and submit further protective claims if necessary.

More information on this is available from our website:

<https://www.crowe.com/uk/croweuk/insights/overpaid-vat-digital-publications>

Declaring VAT Reverse Charges

As well as the Google and Facebook Reverse Charge issue above, it will be easier for HMRC to see whether or not Reverse Charge VAT is being declared on other supplies from overseas as Making Tax Digital becomes further reaching in the next few years.

HMRC define overseas suppliers as any supplier who is based outside the UK, so the Reverse Charge applies to supplies from both EU and Non-EU suppliers. HMRC are looking at services received from these overseas suppliers, which if received from a UK supplier would have UK VAT charged at the standard rate, and then checking to see if entities have applied a Reverse Charge to these services on their VAT returns.

As well as marketing services, services can include web hosting, software licences, consultancy, photocopier/asset hire and other marketing services. Charges for such services must be converted into sterling, and the receiving entity must then charge itself VAT at the standard rate on these charges and account for the VAT on their return.

This can be important for charities, both because a lot of the services purchased abroad do not give the charity the right to a full recovery of input tax, and because not applying the Reverse Charge has led to assessments which could, in turn, lead to penalties for not completing VAT returns with 'reasonable care'.

Compliance

Brexit and GDPR

One issue that Trustees will need to consider going forward will be the impact of Brexit on the GDPR requirements. Initial guidance from the Government was withdrawn and the website page now says "*The UK is leaving the EU. This page tells you how to prepare for Brexit and will be updated if anything changes*". It also says "*You do not need to do anything now to continue sending personal data out of the UK to the EEA after Brexit. UK organisations will still be able to legally send personal data from the UK to the EEA and 13 countries deemed adequate by the EU.*"

Appendix 5 - Non Profits events, courses and briefings

We believe it is important to keep our clients up to date on the issues that affect them and, as a part of our ongoing communication, we regularly hold seminars and courses. Unfortunately, due to the current Covid-19 restrictions, we have necessarily had to suspend our face to face courses and seminars. However, we are working to add to and replace some of these as webinars which will be available from our website <https://www.crowe.com/uk/croweuk/industries/webinars>.

We have listed below details of some of the future events we hope to be able to hold together with the more immediate webinars - please do visit our website or register to our mailing list to stay updated on these - nonprofits@crowe.co.uk.

Trustee essentials

Our Trustee essentials seminars have been developed to consider the issues facing trustees. We take an in-depth look at the key areas of responsibility which will provide trustees with useful information, tools and techniques. These sessions are full day seminars and cost only £50 per delegate.

• Trustee essentials (Cheltenham)	1 Jul 2020
• Trustee essentials	9 Oct 2020
• Trustee essentials	9 Dec 2020
• Trustee essentials (Cheltenham)	1 Jul 2021
• Trustee essentials (Cheltenham)	9 Sep 2021

Tax training courses

The following briefings are planned to be delivered via webinars and the dates these will be available can be found on our website <https://www.crowe.com/uk/croweuk/services/tax/vat/vat-webinars>.

• VAT bite sized webinars	See website
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We are also planning other tax training courses but depending on the future restrictions.

• Introduction to schools' VAT	7 Oct 2020
• Introduction to charity VAT	15 Oct 2020
• Charity VAT reliefs	25 Nov 2020

Other seminars and conferences

• Schools update (Manchester)	1 Jul 2020
• Charity conference (Manchester)	23 Sep 2020
• INGO conference	tbc Nov 2020

For further information on or to register for any of the above events, please visit our website <https://www.crowe.com/uk/croweuk/industries/non-profits> or email nonprofits@crowe.co.uk



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Crowe UK LLP
St. Bride's House
10 Salisbury Square
London
EC4Y 8EH

11 June 2020

Dear Sirs

Letter of representation

We provide this letter in connection with your audit of the financial statements of the General Pharmaceutical Council (the GPhC) for the year ended 31 March 2020 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view its financial position as at 31 March 2020 and of the results of its operations for the year then ended in accordance with UK Generally Accepted Accounting Practice ("UK GAAP").

We confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourselves that, to the best of our knowledge and belief, we can properly make each of the following representations to you.

1. We have fulfilled our responsibility for the fair presentation of the financial statements in accordance with UK GAAP.
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3. We acknowledge our responsibility for the design and implementation of internal controls to prevent and detect fraud and errors.
4. We have provided you with all accounting records and relevant information and granted you unrestricted access to persons within the entity, for the purposes of your audit.
5. All the transactions undertaken by the GPhC have been properly reflected and recorded in the accounting records or other information provided to you.

6. Other than those items already disclosed to you we are not aware of any actual or possible litigation or claims against the GPhC whose effects should be considered when preparing the financial statements.
7. There have been no events since the balance sheet date which require disclosure or which would materially affect the amounts in the financial statements. Should any material events occur which may necessitate revision of the figures in the financial statements, or inclusion in a note thereto, we will advise you accordingly.
8. We confirm that we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. We have assessed that there is no significant risk that the financial statements are materially misstated as a result of fraud.
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10. We are not aware of any allegations by employees, former employees, analysts, regulators or others of fraud, or suspected fraud, affecting the GPhC's financial statements.
11. We confirm that we are not aware of any known or suspected instances of non-compliance with those laws and regulations which provide a legal framework within which the GPhC conducts its business.
12. We confirm that complete information has been provided to you regarding the identification of related parties and that we are not aware of any significant transactions with related parties.
13. We confirm we have appropriately accounted for and disclosed related party relationships and transactions in accordance with the requirements of applicable accounting standards
14. In respect of accounting estimates and judgements, we confirm our belief that the significant assumptions used are reasonable.
15. In the event that we publish the councils' report, independent auditor's report and financial statements electronically, we acknowledge our responsibility for ensuring that controls over the maintenance and integrity of the entity's web site are adequate for this purpose.
16. We confirm that, having considered our expectations and intentions for at least the next twelve months and the availability of working capital, the GPhC is a going concern. We are not aware of any events, conditions, or business risks beyond the period of assessment that might cast significant doubt on the GPhC's ability to continue as a going concern.
17. We confirm that the provision included in the financial statements for dilapidations represents our best estimate of the final liability that will be realised at the end of the lease.

Yours faithfully,

Nigel Clarke, Chair

Signed on behalf of the Council

On 11 June 2020

Meeting paper

Council on Thursday, 11 June 2020

Public business

Audit and Risk Committee's annual report to Council 2019/20

Purpose

To provide Council with a report on the Audit and Risk Committee's work from 1 April 2019 to 31 March 2020.

Recommendations

Council is asked to note the Audit and Risk Committee's annual report 2019/20 at **Appendix 1**.

1. Introduction

- 1.1 At its meeting on 2 June 2020, the Audit and Risk Committee considered its draft annual report. The report provides a high-level summary of the work carried out by the Committee from 1 April 2019 to 31 March 2020, demonstrating how the Committee has performed against each principal area detailed in its terms of reference as well as the key areas of focus set out in last year's report. The report also summarises the different training sessions and external presentations received by the Committee throughout the period under review, which relate to its role and remit.
- 1.2 The draft report was approved subject to a small number of additions being agreed by the chair of the Committee, to reflect discussions and feedback at the meeting. The final report, as approved by the chair, is attached at **Appendix 1**.

2. Equality and diversity implications

- 2.1 This paper does not present any specific equality, diversity and inclusion issues. However, it is important to note that equality, diversity and inclusion continues to form a key part of the Committee's discussions and decision-making over the course of the year.

3. Resource implications

- 3.1 This paper does not raise any specific resource implications. The cost of our internal auditors for 2020/21 is covered by existing budgets.

4. Risk implications

- 4.1 The Committee's annual report is a further source of assurance to Council on the organisation's audit and risk management arrangements and the performance of the Committee in meeting its terms of reference.

5. Monitoring and review

- 5.1. The report sets out the Committee's areas of focus for 2020/21. These will be considered as part of the Committee's work plan for the coming year and will be reviewed during the preparation of the next annual report.

Recommendations

Council is asked to note the Audit and Risk Committee's annual report 2019/20 at **Appendix 1**.

Rob Jones, Risk and Audit Manager
General Pharmaceutical Council
Rob.jones@pharmacyregulation.org
Tel 020 3713 7831

4 June 2020

Audit and Risk Committee Annual Report to Council 2019/20

1. Introduction

- 1.1. The Council has established the Audit and Risk Committee to support the Council by reviewing the comprehensiveness and reliability of assurances and internal controls in meeting the Council's oversight responsibilities. Under the Council's Scheme of Delegation, the committee has delegated authority to:
 - monitor the Council's risk management arrangements
 - approve the internal audit programme
 - advise the Council on the comprehensiveness and reliability of assurances and internal controls, including internal and external audit arrangements, and on the implications of assurances provided in respect of risk and control.
- 1.2. This report provides a high-level summary of the work carried out by the committee over the past twelve months, demonstrating how the committee has performed against each area detailed in its terms of reference and the key areas of focus set out in last year's report. Although it is outside the scope of the financial year (1 April 2019 to 31 March 2020), the work carried out by the Committee at its meeting on 2 June 2020 is included in this report, as this is when the Committee receives and finalises all end of year reporting for recommendation to Council.

2. Membership and meetings

- 2.1. Committee membership comprised of Digby Emson (Chair), Rima Makarem, Aamer Safdar, Jayne Salt and the independent member, Helen Dearden. On 1 April 2020, the Council appointed Neil Buckley as the Committee Chair following the end of Digby's tenure on 31 March 2020.
- 2.2. The committee met four times in the 2019/20 financial year covering standard business as usual meetings: in May, July and October 2019 and in February 2020. The minutes of the meetings are reported to Council and published on our website in the usual format, with the Chair providing regular oral updates to the Council.

3. Key areas of focus

- 3.1. Below is an overview of the committee's work in each of its principal areas as set out in its terms of reference:

Internal and external audit

- 3.2. In accordance with best practice, the committee held a private session with the internal and external auditors at its meeting on 2 June 2020. No issues of substance were raised with the committee.

External audit and financial reporting

- 3.3. The committee received the output of the external auditors' work in relation to the annual report and accounts 2019/20 at its meeting in June 2020.
- 3.4. The committee reviewed the statutory annual report and accounts. The committee also considered the report of the external auditors and was assured that the financial statements were a true and fair view of the GPhC's affairs for the financial year 2019/20. Accordingly, the committee recommended the annual report, accounts and statement of internal control for adoption by Council at its meeting on 11 June 2020.

Internal audit

- 3.5. In line with our usual process, the committee reviewed, with the internal auditors, the 2019/20 internal audit plan, which had been developed in conjunction with the Senior Leadership Group, at its meeting in January 2019. This ensured that there was a systematic and prioritised review of policies, procedures and operations and that the focus of internal audit was on higher risk areas.
- 3.6. In quarter two of 2019/20, following a competitive tender, we started to work with our new internal auditors, TIAA. TIAA took over from Moore Stephens/BDO who had undertaken one internal audit into Fitness to Practice Criteria Thresholds by the point they handed over responsibility to TIAA.
- 3.7. The progress of the implementation of recommendations made during previous audits continued to be monitored, with particular emphasis on 'urgent' recommendations (the most serious category) of which two were raised during the audit of our procurement activities, and one of which remains outstanding. An internal audit progress report was considered at each meeting and the Committee received assurance on actions identified in the reports via the follow up report.
- 3.8. Eight engagements were undertaken by our internal auditors and reviewed by the Committee, of which two were advisory in nature:

Fitness to Practise (threshold criteria) (conducted by BDO)	Green-amber
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GDPR Compliance	Reasonable
Procurement	Limited
Core Finance Review (AP / AR / Payroll)	Substantial
Implementation of the Health and Safety Action Plan	Reasonable
Integrity of the Register	Substantial
Advisory audit into COVID-19 planning	N/A
Advisory audit of key governance documents	N/A

- 3.9. An internal audit into Fitness to Practise (PSA Outcomes) was deferred from quarter 4 of 2019/20 to quarter 1 of 2020/21. The follow up audit, where the internal auditors ask for evidence of the completion of previously completed activities is in progress. This audit has required adjustment to the approach due to Covid-19 and the move to remote operations.
- 3.10. Over the course of the year, the committee reviewed each internal audit report carefully and had the opportunity to seek further information on the findings from both management and the internal auditors. The committee challenged the management on a number of areas and in some instances sought more information about how recommendations would be taken forward.
- 3.11. The levels of assurance used by TIAA (green – substantial assurance; yellow – reasonable assurance; amber – limited assurance; and red – no assurance) were different from the five levels used by Moore Stephens/BDO (green, green/amber, amber, amber/red, red). In terms of trends, the auditors reported that the assurance ratings have remained largely consistent with the previous year, where there was a shift towards reasonable and substantial levels of assurance (green or green/amber as would have been reported by Moore Stephens/BDO).
- 3.12. The committee also received the annual opinion from the Head of Internal Audit, which provides a summary of the internal audit work undertaken across the year to formulate an overall opinion, timed to support the Statement of Internal Control. The audit opinion takes together the assurance ratings and recommendations of individual assignments conducted in 2019/20, management's responsiveness to internal audit recommendations and the direction of travel with regard to internal control, governance and risk management.
- 3.13. Overall, the auditors found that "reasonable assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are

generally being applied consistently. However, some weakness in the design and/or inconsistent application of controls, put the achievement of particular objectives at risk.”

3.14. The key issues arising during the year were:

Assurance Review of Procurement

A limited assurance has been provided on the basis of the following findings:

- There is limited information available to demonstrate that value for money has been considered in the procurement of goods and services.
- Many of the current contracts held have been rolled over, with a lack of evidence to show that a competitive tender approach has been taken.
- Deviations to the Procurement Policy are not always authorised by the key senior staff identified in the policy.
- The system used (SharePoint) does not include a workflow system whereby requisitions are passed to another budget holder for authorisation, should the original budget holder not have sufficient delegated authority. Instead, budget holders are able to approve requisitions above the delegated financial limits.

Management have accepted the recommendations and are in the process of implementing the recommendations. An update on Procurement has been added as a standing item on the agenda for the foreseeable future.

4. Governance, risk management and internal control

- 4.1. The committee supports the Council by reviewing and advising the Council on the operation and effectiveness of the arrangements which are in place across the whole of the Council’s activities that support the achievement of the Council’s objectives. This includes reviewing the adequacy of risk management arrangements as well as policies and procured for ensuring compliance with relevant regulatory, legal, governance and code of conduct requirements.
- 4.2. In 2019, the decision was made to revise the organisation’s approach to risk management. Whilst an in depth conversation was held into the preferred risk appetite in several key areas, the strategic risk register (SRR) underwent significant development. The new SRR was presented to the Committee at its meeting on 2 June 2020 and focuses on seven key areas. It is to be proposed to the Council for adoption, together with the risk appetite statement later in 2020.
- 4.3. Additionally, the Committee focused on the following areas and activities throughout the year:
 - received information on potential credit card fraud within the organisation from the Director of Education and Standards. In response we have continued to move towards online systems, which allow applicants to log into a secure portal to make the payments meaning there is no manual handling of payment details. The pharmacy technician process went online in January 2020, and assessment applications and independent prescriber processes are due to go online

by November/December 2020. In the interim, we have changed our email archiving approach to reduce timeframes and access to archives, reinforced the message with the applications team to ensure we are destroying any payment forms securely after use, and keeping any pending payments locked in cupboards

- received updates on the Professional Standards Authority's review of performance and in particular our response to the findings into Fitness to Practise
- received an update into managements response to implementing recommendations from the prior year's Health and Safety Audit
- undertook a deep-dives into information security and cyber security, delivered by the Information Governance Manager and Head of IT
- received an oral update on the work being undertaken around the 'freedom to speak up'
- engaged in an emergency meeting of the Committee to note and discuss the organisation's operational action plan for managing business continuity following the outbreak of Covid-19.

5. Committee effectiveness and training

- 5.1. In last year's report, committee members highlighted the need for a review of the way in which performance and effectiveness is evaluated. In the past, committee effectiveness has been assessed through informal, reflective surveys of all members. In 2018/19, this work was incorporated into the broader Board Effectiveness Review, which was carried out by Rialto. In 2019/20 we reverted to an informal survey, based on the National Audit Office's self-effectiveness checklist. The results were presented to the Committee on 2 June 2020 and will be reported to Council at the next available opportunity.
- 5.2. The committee also received a number of information briefings from TIAA, including:
 - Home Office Guidance on the Victims of Modern Slavery: heard a briefing from TIAA on the Home Office Guidance on Victims of Modern Slavery.
 - Vulnerability of Email to tampering: heard a briefing from TIAA on the Vulnerability of Email to tampering and received a subsequent response from the GPhC's Head of IT as to its applicability to the GPhC .
 - Government Guidance on the need to accept Electronic Invoices for OJEU Procured Works
 - The end of life support for Windows 7
- 5.3. Looking ahead, key areas of focus for the committee, in addition to cyclical items include:
 - ensuring that the organisation has responded appropriately to the challenges presented by Covid-19 in delivering critical functions

- maintaining oversight of the recommendations made and level of assurance in the forthcoming audit reports for 2020/21
- monitoring the ongoing risks in relation to organisation's strategy and vision 2030 and in relation to our investment strategy
- continuing to seek assurance around important risk areas linked to developments in the external context, for example, cyber-security
- reviewing the structure, format and governance of assurance reviews, to consider options for how these might be taken forward in the future, and applying any external insights or learnings
- meeting its refreshed commitments to equality, diversity and inclusion, and our organisational culture and values, and applying this to all aspects of its work
- keeping the arrangements for and execution of delegated authority under review
- continuing to receive updates and provide challenge on the Fitness to Practise PSA performance improvement plan

6. Chair's overview and conclusions

- 6.1. Over the past year, the Audit and Risk Committee has met the requirements of its terms of reference and has been able to provide assurance to the Council on the organisation's audit and risk management processes. Whilst our risk management processes have been subject to consideration, the Committee is of the view that the internal audit function and the operational deep dives undertaken have provided adequate assurance.
- 6.2. As an advisory body, the committee therefore assists with, but is not a substitute for, Council's overall responsibility for good governance, exercised for example by the periodic risk reviews and performance monitoring reports as well as through the minutes and reports of the Committee.
- 6.3. Finally, I would like to thank Committee members for their diligence and commitment, and the officers and auditors for their professional support in our work.

Neil Buckley
Chair, Audit and Risk Committee

Rob Jones
Risk and Audit Manager

2 June 2020

Finance and Planning Committee Annual Report to Council 2019/20

1. Introduction

- 1.1. The Council established the Finance and Planning Committee in April 2019 as a successor to the Efficiency and Effectiveness Assurance and Advisory Group (EEAAG). The repositioning of the committee was implemented to reflect its extended scope and remit, and to recognise its role in supporting the Council to oversee and monitor the implementation of the GPhC's investment strategy.
- 1.2. Given the new focus as well as the continued responsibilities for planning oversight, it was agreed that the name of the committee should be changed to the Finance and Planning Committee and the terms of reference were updated accordingly.
- 1.3. Under the Council's Scheme of Delegation, the committee has delegated authority to:
 - oversee the organisation's business and financial planning, to ensure that it aligns with the overall strategy set by the Council
 - review the organisation's ongoing work to improve the efficiency and effectiveness of the GPhC, including any metrics, evaluation and benchmarking
 - oversee and monitor the investment strategy and policy, including the GPhC's ethical policy, to ensure it remains appropriate, and to recommend any changes to Council
 - make recommendations to Council regarding the appointment or termination of investment managers, where appropriate
 - monitor and evaluate the performance cost and cost-effectiveness of services provided by investment managers appointed by the Council
 - oversee the GPhC's internal business improvement investment activities, including reviewing the organisation's business and financial planning, and work to improve its efficiency and effectiveness
 - ensure that all policies and work within the Committee's remit take account of and promote the GPhC's culture and values, and commitment to equality, diversity and inclusion
 - report annually to the Council on the activities of the Finance and Planning Committee

- 1.4. This report provides a high-level summary of the work carried out by the committee over the past twelve months. Although it is outside the scope of the financial year (1 April 2019 to 31 March 2020), the work carried out by the Committee at its meeting on May 2020 is included in this report, as this is when the Committee receives and finalises all end of year reporting for recommendations to Council.

2. Membership and meetings

- 2.1. Committee membership comprised of Mark Hammond (Chair), Nigel Clarke, Neil Buckley, Penny Hopkins and Evelyn McPhail. Andrew Maclaren was appointed as an external independent member of the committee following an open and transparent recruitment process to provide independent investment expertise.
- 2.2. In April 2020 the committee membership changed to reflect the wider changes in Council membership. Rima Makarem and Rose Marie Parr joined the committee replacing Neil Buckley who was appointed Chair of the Audit and Risk Committee and Evelyn McPhail following the end of her term as a Council member.
- 2.3. The committee met four times in the 2019/20 financial year: in May, September and November 2019 and January 2020. A further two meeting have been held virtually in April and May 2020. The minutes of the meetings are reported to Council and published on our website in the usual format, with the Chair providing regular oral updates to the Council.

3. Key areas of focus

- 3.1. The totality of the FPC work over the last 12 months has been to oversee, support and scrutinise the development and delivery of the key workstreams underpinning the GPhC's wider financial strategy to deliver a financially stable organisation that can effectively fund the cost of regulation.
- 3.2. Below is an overview of the committee's work in each of its principal areas that have been taken forward during this period as set out in its terms of reference:

Development and implementation of the GPhC's investment strategy

- 3.3. The committee has been heavily focused in developing the GPhC's investment strategy to help increase income from non-fee related sources. In May 2019 the committee discussed the proposed investment policy which led to the development and refinement of the ethical investment policy at a subsequent Council meeting. To support the development of the investment strategy the committee recruited and appointed an external member to the committee to provide independent investment advice. The committee commissioned and supported the procurement process which culminated in the appointment of Goldmans Sachs as the GPhC's investment advisor. Goldman Sachs provided a very useful investment induction training session for committee members in January 2020. The committee further refined and developed the GPhC's proposed investment portfolio over the following months prior to it being formally approved by Council in May 2020.

Development of the multi phased fee strategy

- 3.4. In May 2019 the Committee provided feedback and input into the multi phased fee strategy that was under development. The committee provided input into the scope and scheduling of the various fee related issues that required exploring and prioritising, most notably reviewing the fees applied to regulated Pharmacy premises. Whilst the relative merits of charging for reinspection were also explored, it was ultimately agreed by Council that this was best considered at a later date once the new inspection model has had more time to fully bed in.
- 3.5. A detailed examination of the existing cost allocation model and its implication for current fee levels was presented to the Committee in September. On the back of the subsequent discussion, further work was taken forward to develop proposals for a potential £103 increase to regulated pharmacy fees, including conducting a business impact assessment of these proposals. The draft consultation and the findings of the Ernest and Young Business Impact assessment on the proposals were tabled at the November 2020 meeting for discussion.
- 3.6. At the January and May 2020 meeting the committee held further discussion on the development of the second phase fee review strategy and the emerging consideration of the 2020 fee review proposals.

Continued integration of the GPhC's financial and business planning process

- 3.5 The committee received regular updates on the GPhC's overarching planning approach that was framed by 'Vision '2030' and cascaded down through the first of two five-year strategic plans taking the organisation up to 2025. The FPC were engaged on the development of the planning and budgeting principles that underpinned the process including the stated objective of fully aligning the budgeting and planning timelines. Refinements to the 5-year strategy and the proposed 2020/21 annual and financial plan, including expected outcomes were provided on an ongoing basis to the FPC during their development, prior to the plans being formally approved by February 2020 Council.
- 3.6 The committee also received an update and fed back on the important culture change element of the GPhC's approach to planning and organising the delivery of our work. This included input into a new more graphical and engaging internal poster for staff showing the links between the vision, strategic plan, annual plan and budget through to teams and individual's contributions to achievement of the organisation's aims and objectives.

Review and oversight of the GPhC financial reporting

- 3.7 The GPhC quarterly reporting format has been updated during the 2019/20 financial year and the Committee has had regular oversight of the quarterly reports. The Committee has also been updated on an ongoing basis as to any key developments on the GPhC's financial position, including an update in May 2020 on the emerging financial issues and implications of the Corona Virus health epidemic.

Oversee the development of key cost effectiveness strategies

- 3.8 The FPC have been engaged in the early stages of the development of GPhC's accommodation strategy. The FPC received a discussion paper in November 2019 setting out the key facts of the GPhC's existing lease and highlighting some of the key strategic principles, which would guide the development of the strategy going forward. In January 2020, the committee alongside the GPhC's Senior Leadership Group received a presentation from external consultants covering the findings of the workbased occupancy survey that had been conducted over the preceding months.
- 3.9 The committee also received an update on the continued development of the GPhC's organisational design strategy and the progress the GPhC was making in delivering the 3% structural savings target that had been incorporated in the 2019/20 budget.

4. Committee effectiveness and training

- 4.1. The main area of training that has been conducted during the year relates to the investment induction that was provided by Goldmans Sachs. Further training on specific investment topics are likely to be provided in the forthcoming year. Goldmans Sachs also provided access to regular investment related webinar sessions that will also be made available to Committee members. A self-effectiveness review is currently in the process of being conducted and any theme or training requirements that emerge from that review will be formally logged and tracked on the committee's matters arising log.

5. Chair's overview and conclusions

- 5.1. Over the past year, the Finance and Planning Committee has met the requirements of its terms of reference and has been able to provide advice and recommendations to Council on the areas within its remit.
- 5.2. As an advisory body, the committee therefore assists with, but is not a substitute for, Council's overall responsibility for these areas.
- 5.3. Looking ahead, key areas of focus for the committee, in addition to cyclical items include:
 - reviewing the implementation and monitoring of the ongoing performance of the investment portfolio
 - continuing to review the development and alignment of the longer-term finance strategy and planning processes
 - reviewing the areas of learning arising from the pandemic
 - seeking assurance around the development of key strategies to optimise efficiencies such as the development of the accommodation strategy (including in the light of the pandemic and experience of virtual working) and understanding the cost drivers of the GPhC's statutory functions

- continuing to scrutinise and support the development of the multi phased fee strategy
- regularly reviewing and scrutinising the information provided from the data and insight registrants trend reporting
- meeting its refreshed commitments to equality, diversity and inclusion, and our organisational culture and values, and applying this to all aspects of its work

5.4. Finally, I would like to thank Committee members for their diligence and commitment, and the officers and relevant external partners for their professional support in our work.

Mark Hammond
Chair, Finance and Planning Committee

Jonathan Bennetts
Director of Finance

XXXXX



Minutes of the Remuneration Committee meeting held on Thursday 30 April 2020 at 10.00 a.m.

Meeting held by Skype

CONFIRMED 22 May 2020

Minutes of the public session

Present

Elizabeth Mailey (Chair)
Rob Goward
Arun Midha
Janet Rubin

Apologies

Jo Kember
Selina Ullah

In attendance

Duncan Rudkin (DR - Chief Executive & Registrar)
Francesca Okosi (FO - Director of People)
Laura McClintock (LM -Chief of Staff)
Carol Anderson (CVA - Head of HR)
Janet Collins (JC - Governance Manager)
Paul Cummins (PC - Head of Adjudication)
Melissa Nurse-Barrow (MN-B – Associates and Partners Manager)
Oliver Davidson – People Insight

1. Attendance and introductory remarks

- 1.1. The Chair welcomed those present and welcomed Arun Midha to his first meeting of the committee. Apologies had been received from Jo Kember and Selina Ullah.

2. Declarations of interest

- 2.1. The Chair reminded the Committee that any declarations of interest should be made before each item.

3. Minutes of the last meeting

- 3.1. **The minutes of the public session held on 03 October 2019 were confirmed as a fair and accurate record.**

4. Actions and matters arising

- 4.1. Action from paragraph 5.1 of the April 2019 minutes – a full update would be provided at the additional meeting in May 2020.
- 4.2. Action 4.2 from October 2019 – pension arrangements would be considered as part of an overall reward strategy in September 2020.
- 4.3. The members agreed that it would be useful to have an overall picture of the reward strategy including salary, pensions and benefits. There was still an issue of perception of reward within the organisation, which should improve if staff could see the whole package.
- 4.4. There would be an additional meeting in May to cover top team pay and changes to pay and conditions in light of Covid-19.

5. Pay Review 2020

- 5.1. CA introduced 20.04.Rem.01 which set out the pay review process carried out for the 1 June 2020 pay review. All members of staff present declared an interest.
- 5.2. The new Performance Development Review (PDR) process had been introduced for the 2019 reviews and had moved the review process online. Training had been focussed on the technical aspects for the first year but for the 2020 process had focussed more on the quality of the PDR discussions.
- 5.3. Indicative ratings had been submitted by managers and had been subject to discussion and calibration, in some cases including a request for further evidence. This was particularly the case with 'exceed' ratings. Ratings then been considered by the Senior Leadership Group where there had been a robust discussion with healthy challenges.
- 5.4. Of 206 staff eligible for a pay award, 48 had been given an 'exceed' rating, 158 had been given a 'met' rating and 16 had been given a 'not met' or were subject to some form of ineligibility such as a disciplinary warning.

- 5.5. It was acknowledged that there were some risks to having carried out the PDR process remotely due to the pandemic, but the HR team was confident that these had been mitigated by providing guidance training to managers via workshops prior to Covid-19, guidance regarding remote management and by the careful moderation.
- 5.6. The committee discussed the figures in the matrix for 2019-20 which were agreed to be consistent with the market. There was still feedback from some staff that the matrix was not liked and it would be important to raise awareness with staff of the full benefits / total reward package.
- 5.7. There was some discussion among the committee that the PDR process may be too close to the pay review date, the concern being that staff might not be willing to discuss their development needs if they felt that it could impact on their rating.
- 5.8. CA undertook to confirm to the committee the percentage of the salary bill represented by the proposed increase. This was later confirmed to be 2.4%.
- 5.9. The budgetary implications of the pandemic were being captured and the proposal remained affordable in that context.

The Committee noted and agreed? the updates on the pay review process implemented for the 1 June 2020 pay review, including the matrix set out in Appendix 1 of the paper.

6. Gender pay gap report 2019

- 6.1. CVA presented **20.04.Rem.02** which provided the gender pay gap (GPG) data for GPhC staff for 2019. The GPhC employed fewer than 250 people and so was not compelled to produce GPG data, but chose to do so.
- 6.2. The report set out how the GPG data was calculated, the GPhC's data and the numbers of male and female employees in the quartile bands defined by HM Government.
- 6.3. The mean gender pay gap at the GPhC in 2019 was 10.3%, while the median was 9.7%. Both of these figures showed an improvement on the 2018 data when the values had been 13.1% for the mean and 14.3% for the median respectively. The data was comparable to other healthcare regulators, although it was noted that there was still room for improvement.
- 6.4. There was still more work to do in this area and the Women's Network would be discussing the data.
- 6.5. The Committee welcomed the quality and clarity of the report, including the actions set out to improve the data further.

The committee noted the Gender pay gap report and the actions proposed to close the gap.

7. Gender pay gap report 2019 – Associates and Partners

- 7.1 Paul Cummins (Head of Adjudications) and Melissa Nurse-Barrow (Associates and Partners Manager) joined the meeting to present **20.04.Rem.03** which set out the GPG data for the fees paid to the GPhC's Associates and Partners (A&P). This was the first time that data for the A&P had been compiled and it had been done using the same methodology as had been used for the staff GPG data.
- 7.2 The GPhC had 320 A&P in April 2020, in 16 groups including the statutory committee panels, legal and clinical advisors, Revalidation reviewers and the Board of Assessors. This report focussed on the statutory committee members.
- 7.3 Fee rates were the same for male and female members, so there were no 'equal pay' issues in that sense. However, the overall amounts of fees paid to men and women in the same group over the year showed some significant differences, because men were being empanelled more than women. This was particularly stark in the case of medical assessors where the mean fee gap was 100% because no women had sat with a panel during the year.
- 7.4 The Fitness to Practise Committee and the Investigating Committee both had a fees gap in favour of males, with the FtPC having a mean gap of 20.6% and the IC a mean gap of 46.49%.
- 7.5 The papers also set out a number of actions which had been identified to close the gap. These included an urgent and thorough review and reform of the empanelment processes, which would be an important vehicle for tackling these unwelcome and unacceptable gaps. The Assurance and Appointments Committee would also be considering the report.

The committee noted the report and the plan to close the gaps.

Paul Cummins and Melissa Nurse-Barrow left the meeting

8. Overview of the results of the staff survey

- 8.1 Leila Mikail (Learning and Development Manager) and Oliver Davidson of People Insight joined the meeting. OD gave an overview of the results of the recent staff survey.
- 8.2 The survey had been live between 24 February and 13 March 2020. The response rate was 69% (158 responses from 228 staff) which was lower than both the average and the 2017 staff survey.
- 8.3 Engagement levels had improved but were below those typical of other organisations. One of the key drivers appeared to be that staff did not believe that action would be taken as a result of the survey.
- 8.4 Areas in which the GPhC had high results compared to the benchmark included work/life balance, the physical environment and several positive areas of line management. Areas in which the GPhC had low results included innovation and performance management. Areas

which had seen the biggest improvement since 2017 included people feeling better informed about strategy and changes and feeling more involved and listened to.

- 8.5 The committee discussed the findings. Action plans and progress reports would be submitted to the Senior Leadership Group and to the committee.
- 8.6 The committee would be updated at its additional meeting in May.

9. Remuneration committee annual report to Council

- 9.1 LM introduced **20.04.Rem.04**, the draft annual report from the committee to the Council. This was a high-level report as the Council also received the minutes.
- 9.2 It was agreed that continuing to monitor the staff survey action plan and progress and the development of an overall reward strategy should be added to the upcoming work.

With those amendments, the draft annual report was agreed.

10. Any other business

- 10.1 There would be an additional meeting in May to discuss the Chief Executive's and the directors' pay. It was agreed that the meeting would be held on 22 May at 10.00.
- 10.2 There was no other business

Date of the next meeting:

Friday 22 May 2020

Remuneration Committee Annual Report to Council 2019/20

Meeting paper for Council on 11 June 2020

Purpose

To present the Remuneration Committee's annual report to Council 2019/20

Recommendations

The Council is asked to note the report

1. Introduction

- 1.1 The Council has established the Remuneration Committee to support it by overseeing the arrangements for remuneration within the organisation. The committee is required, under its terms of reference, to report annually to the Council on its work.
- 1.2 This paper provides an overview of the work carried out by the committee **from 1 April 2019 to 31 March 2020**, demonstrating how the committee has performed against each area detailed in its terms of reference and the key areas of focus set out in last year's report.

2. Committee annual report to Council

- 2.1 The committee is made up of six members: four Council members and two external members. For the period under review, committee membership comprised of Council members Elizabeth Mailey (Chair), Ann Jacklin, Alan Kershaw, and Jo Kember, as well as external members Janet Rubin and Rob Goward. Alan Kershaw completed his time on Council at the end of March 2020, having served two consecutive terms of office.
- 2.2 The committee met twice in the financial year – 30 April 2019 and 3 October 2019 - and was quorate on each occasion. The minutes of each meeting were reported to Council and published on our website in the usual format, with the Chair providing regular oral updates to the Council.

Key areas of focus

- 2.3 During the year, the committee focused on the following areas of work in line with its terms of reference:
 - a. **Gender pay gap reporting:** in April 2019, the committee noted the results of the GPhC's second year of reporting on its gender pay gap (GPG) and the steps being taken to close it. The GPG reflects the difference in average pay between all men and all women in a

particular workforce. In doing so, the committee noted the methodology by which the GPG had been calculated and that the GPhC was not an outlier in its sector. In particular, the committee noted that the GPG had improved from the previous year. The committee also noted the actions being taken in this area, including the review of pay and reward, the publication of guidance on starting salaries and promotion pay, a revised approach to talent management, and developments in recruitment policies and processes, to ensure that the GPhC can attract diverse talent.

- b. Reward and Recognition Review:** in April 2019, the committee agreed the approach for the June 2019 pay award. At its subsequent meeting in October, the committee noted detailed information about how the approach had been implemented. The new process was based on performance, a salary matrix previously approved by the committee and a new behavioural framework. An online Performance Development Review (PDR) process and calibration meetings for 'exceed' and 'not met' outcomes had been introduced and workshops were held for appraising managers to familiarise them with the new process. The committee also noted the total cost of the pay award (which was slightly below the budgeted cost), as well as the range of PDR outcomes and pay awards granted.
- c. Council member remuneration:** in October, the committee discussed the current remuneration levels for Council members, noting comparative data from across the other health and social care regulators. As part of this discussion, the committee considered the wider equality, diversity and inclusion aspects, including our ability to attract and retain diverse candidates. Taking all of this into account, as well as relevant external context around regulatory reform, the committee decided that it would not recommend any change to Council member remuneration for the financial year 2020-21 (this recommendation was later accepted by the Council at its meeting in November 2019).
- d. Redundancy policy:** the committee received updates on the GPhC's new redundancy policy, which was agreed by the Senior Leadership Group in June 2019. The committee noted the approach, specifically around ensuring that employees should be treated fairly, with dignity and in line with the organisations' culture statement.
- e. Succession planning and talent management:** during the year, the committee received updates on the talent management programme, which was being developed. Discussions were linked to our ten-year vision, which would help give an indication of the roles and skills that the GPhC would need to achieve its objectives. The committee also heard more about a series of HR focus groups with staff, specifically exploring their reasons to stay at the GPhC as an alternative to more traditional 'exit interviews'. These focus groups covered important areas such as recruitment, induction, learning and development and staff benefits, and the committee heard about the positives as well as areas for improvement.

3. Chair's overview and conclusions

- 3.1 Over the past year, the committee has met the requirements of its terms of reference and has been able to provide assurance to the Council on the organisation's remuneration processes.
- 3.2 Looking ahead, some key areas of focus for the committee for 2020/21, in addition to cyclical items include:
 - monitoring work related to gender pay gap reporting, including work relating to associates and partners
 - reviewing EDI data in relation to reward and recognition
 - reviewing the organisation's pension arrangements in the context of our total reward package

- receiving updates on the operation of the redundancy policy
- monitoring progress on actions arising from the all staff survey
- evaluating the outcome of the leadership development programme

4. Review of terms of reference

- 4.1 In line with best practice, the committee reviews its terms of reference annually and recommends any changes to Council for approval.
- 4.2 During the year, the terms of reference were updated to include an explicit requirement to *“ensure that all policies and work within the Committee’s remit take account of and promote the GPhC’s culture and values, and commitment to equality, diversity and inclusion”*. This was in order to align with equivalent changes made to the terms of reference for the Audit and Risk and Finance and Planning Committees.
- 4.3 The committee did not recommend any further changes to the current terms of reference as part of this annual review. These continue to be fit for purpose and appropriately reflect the role and remit of the committee.
- 4.4 The Council is asked to agree the attached terms of reference for a further year (see **Annex A**).

5. Equality and diversity implications

- 5.1 Equality, diversity and inclusion continued to form a key part of the committee’s discussions and decision-making over the course of the year. There was a strong focus on ensuring that policies within the Committee’s remit promote our commitment to equality, diversity and inclusion, and on securing assurance that this is working as intended in practice, for example in relation to scrutiny of the pay award relating to EDI and the gender pay gap.

6. Communications

- 6.1 The committee’s annual report and terms of reference are presented to Council at its meeting in June 2020. These are published as part of the meeting papers in the usual format and the terms of reference are available on our website under the relevant governance and committee section.

7. Resource implications

- 7.1 This paper does not raise any specific resource implications. The priority areas for 2020/21 will be considered in line with the organisation’s internal planning processes.

8. Risk implications

- 8.1 The committee’s annual report is a further source of assurance to Council on the organisation’s remuneration arrangements and the performance of the committee in meeting its terms of reference.
- 8.2 Without clearly defined and regularly updated terms of reference the Committee could fail to deliver the programme of work expected by Council and/or exceed its delegated authority. This is why it is essential for the terms of reference to be reviewed and recommended to Council on an annual basis.

9. Monitoring and review

- 9.1 The committee has indicated the areas on which it would like to focus on for 2020/21. Progress will be monitored through committee meetings, with regular updates provided to the Council in the usual way.

10. Recommendations

The Council is asked to note the Remuneration Committee's annual report 2019/20.

Laura McClintock, Chief of Staff

Elizabeth Mailey, Chair of the Remuneration Committee

01 June 2020

Terms of reference of the Remuneration Committee

GPHC0005 Version 2

This policy sets out the delegated remit and function of the GPhC's Remuneration Committee.



Policy details

Policy reference	GPHC0005
Version	2
Policy author	Laura McClintock, Chief of Staff
Approved for issue by	Council, 13 June 2019
Effective from	01 June 2019
Next review	01 June 2020

Version control tracker

Version	Approved date	Description of change	Amendments by
1	7 June 2018	2.1 - be re-drafted to 'without disclosing the remuneration of any <i>member of staff</i> other than the Chief Executive and Registrar'	Helen Dalrymple, Council Secretary
2	13 June 2019	1.1 - To ensure that all policies and work within the committee's remit take account of and promote the GPhC's culture and values, and commitment to equality, diversity and inclusion.	Laura McClintock, Chief of Staff

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1. The council has established a Remuneration Committee with the remit set out below.

- 1.1 Under delegated powers from the Council and within the Council's policies:
- To approve or reject (not amend) the remuneration packages, including the basis on which performance would be assessed and any bonuses awarded, for the Chief Executive & Registrar and those directors who report directly to the Chief Executive & Registrar;
 - To approve or reject the overall remuneration framework for the remainder of the GPhC's employees (the responsibility to make recommendations on remuneration packages for directors and the overall remuneration framework falls to the Chief Executive & Registrar alone, as does the decision-making on remuneration for the GPhC's employees other than the Chief Executive & Registrar and those directors who report directly to the Chief Executive & Registrar).
 - To advise the Council on remuneration policy for Council members.
 - To determine the remuneration and expenses policy for non-statutory committee members, and those associate groups established under legislation (statutory committee members, legal and clinical advisers to statutory committees, assessors and visitors), including advising on appropriate remuneration for any recipients of honoraria;
 - To advise the Chief Executive and Registrar on the staff expenses policy.
 - To ensure that all policies and work within the committee's remit take account of and promote the GPhC's culture and values, and commitment to equality, diversity and inclusion.
- 1.2 The Council members on the Remuneration Committee will have a conflict of interest and so the Committee should rely heavily on independent advice to inform its recommendations. The monitoring methodology should ensure compliance with policy in this area.
- 1.3 Other than as specified above, the Committee has no executive responsibilities or powers; its role is to advise the Council.
- 1.4 The Committee may operate in an informal workshop mode to enable it to discuss a wider range of topics in order to set the context for its responsibilities as outlined above.

2. Accountability and Reporting

- 2.1 The Committee is accountable to the Council. The Committee should report its decisions to the Council without disclosing the remuneration of any member of staff other than the Chief Executive & Registrar.
- 2.2 The minutes of each Remuneration Committee meeting shall be circulated to the Council except where the Committee considers that all or part of its minutes should remain confidential to the Committee and its secretariat. The Committee may submit advice separately to the Council on issues where it considered that the Council should be taking action.

3. Authority

- 3.1 The Committee has delegated authority from the Council as detailed in the remit above.
- 3.2 The Committee is authorised by the Council to seek such information as it may reasonably require from any employee or member of the Council in order to fulfil its remit.
- 3.3 The Committee is authorised by the Council, when the fulfilment of its remit requires, to obtain external professional advice including the advice of independent remuneration consultants and to secure the attendance of external advisers at its meetings, if it considers this necessary, within the budget approved by the Council.

4. Composition

- 4.1 The Committee, including its Chair, is appointed through arrangements agreed by the Council. The Committee has up to six members comprising:
 - Up to four Council members, including at least one lay member and one registrant member; and
 - Up to two external members with appropriate experience
- 4.2 Where possible, one of the Council members serving on the Committee shall be designated as Chair, based on relevant background and skills, as this should facilitate the process of reporting to the Council. If this is not the case at any time, the Council should give serious consideration to the appointment of an independent chair. In the absence of the Chair, the Committee shall elect another of its members to chair the meeting.
- 4.3 The members of the Senior Leadership Group shall have the right to attend and speak at meetings of the Committee, except that they shall not be present during discussions relating directly to their own positions. Others may be called upon to attend and speak at the invitation of the Chair of the Committee.

5. Quorum

- 5.1 A quorum shall be three members of the Committee.

6. Frequency of Meetings

- 6.1 The Committee shall meet not less than once a year.

