

## HEARING AID COUNCIL

Minutes of the Audit Committee  
Held in Open Session at 70 St Mary Axe, London EC3A 8BD

On Thursday 13<sup>th</sup> March 2008  
1.00pm – 3.00pm

**PRESENT:** Michael Bishop Chair  
Chris Raine Council Member

**CO-OPTED MEMBERS:** Alan Rudge

**IN ATTENDANCE:** Sandra Verkuyten Chief Executive & Registrar  
Justin Parfitt Director of Resources  
Amicie Knowles Audit Committee Clerk

**ALSO PRESENT:** Steve Ecroyd National Audit Office  
Keith Lloyd National Audit Office  
Lucy Gibling National Audit Office  
Gordon Manickam BERR  
Stuart Holland Modernisation & Transfer Manager  
Christine Suett Operations Manager

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The Chair welcomed Lucy Gibling from the National Audit Office to the committee and Melanie Lewis a new member of The Hearing Aid Council (HAC) administration team.

- 1 **Apologies for absence**
- 1.1 Gerald Armstrong – Bednall.  
Ivan Doncaster.
- 2 **Minutes of the previous meeting held in open session on 8<sup>th</sup> January 2008**
- 2.1 The committee agreed the minutes were an accurate record of the meeting. Agreed
- 3 **Matters arising**
- 3.1 There were no matters arising.
- 4 **Declarations of interest**
- 4.1 No interests were declared other than those on the register of interests.
- 5 **BERR Internal Audit Report**
- 5.1 BERR informed the committee the Internal Audit report was not received in the agreed timeframe. The report therefore has not been considered by the executive. It will be duly considered and a response made to internal audit.
- 5.2 BERR stated to the committee that overall The Hearing Aid Council (HAC) has a 'Strong Control Environment'.
- 5.3 BERR informed the committee the HAC team were very helpful and all documents were provided which lead to an easy audit process.
- 5.4 The Chair asked BERR to ensure that in future all reports are submitted on time to allow for executive team responses to be included in time for papers to be forwarded to the committee with other meeting papers.
- 5.5 The committee agreed to review the report at the next audit committee meeting. Agreed & Action
- 6 **Update on NAO Interim Audit**
- 6.1 The NAO gave an overview of the interim audit that has just taken place.  
The NAO outlined that the audit process worked extremely well and would hopefully be repeated in the future.
- 6.2 The NAO informed the committee that the findings seem to indicate that there are high level controls in place.
- 6.3 The NAO stated that the HAC will not be receiving an interim management letter as there are no significant issues to bring to the Executive teams attention.

7	<b>Chair's meeting with Internal Audit</b>	
7.1	The Chair gave an overview of the meeting with the Internal Auditors highlighting that BERR had an understanding of the problems faced by the HAC.	
7.2	The Chair informed the committee that BERR had offered the use of rooms for tribunal cases and also the possibility of legal advice to assist the HAC which will be followed up by the HAC administration team.	Action
8	<b>Committee only meeting with auditors</b>	
8.1	It was agreed that 'Committee only and Auditors' will be a standing agenda item for all future committee meetings in line with NAO best practice guidelines.	Agreed & Action
8.2	It was agreed that all committee members let the Chair know in advance of a meeting if there are any issues they wish to discuss.	Agreed
9	<b>International Financial Reporting Standards (IFRS)</b>	
9.1	The NAO informed the committee that IFRS accounts will now be required for 2009/2010 not for 2008/2009, but a 'dry run' of accounts is expected to be produced.	
9.2	The committee discussed this issue and felt that there was limited merit in the HAC producing two sets of accounts as if abolished will not be around in 2009/2010.	
9.3	It was agreed that the HAC write to the Treasury requesting exemption from producing IFRS standard accounts, stressing that the HAC is due to be abolished.	Action
9.4	The NAO offered to supply the HAC with the name of the most relevant person to write to at the Treasury.	Action
9.5	The committee agreed this would be an agenda item at the next meeting.	Agreed & Action
10	<b>IT Security</b>	
10.1	The Operations manager informed the committee that work was ongoing relating to the issue of IT security in place at the HAC. It was highlighted to the committee that this was a low risk area for HAC.	
10.2	The Operations manager stated to the committee a further £1500 approximately may need to be spent on IT security.	
10.3	BERR stated that the HAC will be included in the BERR sample when the review of data handling is undertaken. This will not incur any cost to the HAC saving £3000 - £5000. The timescale for this is approximately two months before BERR begin.	Action
11	<b>HAC Risk Register</b>	
11.1	The committee reviewed and discussed the Risk Register highlighting the following points:	

- Staff Turnover
- Increase in Complaints
- Transfer Date
- Exam candidate numbers
- Insufficient Resources

11.2 The committee agreed that the HAC is doing all it can to mitigate current risks. Agreed

12 **Draft HAC Corporate Plan**

12.1 The committee received and noted the draft Corporate Plan.

13 **Draft HAC Annual Report**

13.1 The committee received and noted the draft Annual Report.

14 **Date & Time of next meeting**

14.1 The committee will need to meet in May prior to the final audit. Agreed

The next audit committee meeting will be held on Tuesday 6<sup>th</sup> May at 11.45am if a more appropriate date cannot be found.

14.2 The Clerk will contact members regarding a more appropriate date. Action

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Action list

		Person responsible	
5.5	The committee agreed to review the report at the next audit committee meeting.		Agreed & Action
7.2	The Chair informed the committee that BERR had offered the use of rooms for tribunal cases and also the possibility of legal advice to assist the HAC which will be followed up by the HAC administration team.	HAC Admin team & Operations manager	Action
8.1	It was agreed that 'Committee only and Auditors' will be a standing agenda item for all future committee meetings in line with NAO best practice guidelines.		Agreed & Action
9.3	It was agreed that the HAC write to the Treasury requesting exemption from producing IFRS standard accounts, stressing that the HAC is due to be abolished.	Director of Resources	Action
9.4	The NAO offered to supply the HAC with the name of the most relevant person to write to at the Treasury.	NAO	Action
9.5	The committee agreed this would be an agenda item at the next meeting.		Agreed & Action
10.3	BERR stated that the HAC will be included in the BERR sample when the review of data handling is undertaken. This will not incur any cost to the HAC saving £3000 - £5000. The timescale for this is approximately two months before BERR begin.	HAC Admin team & Operations manager	Action
14.2	The Clerk will contact members regarding a more appropriate date.	Audit Clerk	Action