

HEARING AID COUNCIL

Confidential Minutes of the Audit Committee
Held in Closed Session at 70 St Mary Axe, London EC3A 8BE

On Thursday 22nd January 2009
10.30pm – 12.30pm

PRESENT:	Michael Bishop	Chair
	Chris Raine	Council Member
CO-OPTED MEMBERS:	Ivan Doncaster	Parkhill
	Peter Ince	Council Member
IN ATTENDANCE:	Sandra Verkuyten OBE	Chief Executive & Accounting Officer
	Justin Parfitt	Managing Director & Director of Resources
	Amicie Knowles	Audit Committee Clerk
ALSO PRESENT:	Steve Ecroyd	National Audit Office
	Phillip Drye	BERR
	Sabri Koteci	BERR
	Stuart Holland	Modernisation & Transfer Manager
	Christine Suett	Operations Manager
	Paul McGee	Administrative Assistant

Audit Committee Minutes 22nd January 2009

1 **Apologies for absence.**

- 1.1 Gerald Armstrong-Bednall.
Chris O'Leary.
Keith Lloyd NAO.
Gordon Manikam NAO.

2 **Minutes of the previous meeting held in closed session 28th Oct 2008.**

- 2.1 The committee agreed the minutes.

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 **Feedback from NAO and BERR Audit planning meeting.**

- 5.1 Steve Ecroyd reported the meeting has not happened yet and the date has yet to be agreed. Action

6 **BERR internal Audit report on work against the agreed 2008/09 work plan.**

- 6.1 A member of the NAO informed the committee that The Hearing Aid Council's (HAC) financial controls are strong.
- 6.2 The Chief Executive and Accounting Officer (CEO) commented that due the HAC's continued existence post-handover the upcoming financial period will be 16 months.
- 6.3 A representative of the Department of Business, Enterprise and Regulatory Reform (BERR) stated; it is not normal practice to lodge 16 month accounts, as guidance states a 12 month period.

- 6.4 Guidance is to be sought from BERR. Action

- 6.5 Following discussion, it was agreed that BERR will remain as internal auditors until transfer. Agreed

7 **NAO report – IFRS re-statement of 1 April 2008 balances.**

- 7.1 The NAO are happy with the HAC's current procedures and progress with HAC re-statement of the financial balances as of 01.04.08 (trigger points 142).

- 7.2 The HAC must prepare full shadow IFRS accounts by September 2009. Action

- 7.3 The chair commented on the cooperative relationship between the NAO and the HAC.

8 **HAC Risk Register.**

- 8.1 The Modernisation and Transfer Manager (MTM) informed the committee of the

internal controls the HAC has in place against the listed risks.

- 8.2 The CEO informed the committee that the judgement in the Judicial Review (JR) against Hidden Hearing Ltd (HH) was in the HAC's favour, but warned that because costs have not been awarded or notice of appeals been made, that it would be prudent to leave the JR on the risk register. Agreed
- 8.3 The committee noted the momentum around the S60 order with its support from the government meaning that there is greater success of transfer for 2010.
- 8.4 A staff retention plan is in place with some financial implications to be discussed at Council.
- 8.5 The Operations Manager (OM) commented that there has been consultation with the National Archives over post-hand over data handling.
- 8.6 The committee noted that the format of the risk register will be amended in future to reflect the transfer. Action
- 8.7 The transfer plan will be a standing item on the agenda in the future. Action
- 9 **Data Handling/Security Updates.**
- 9.1 There were no reported breaches of data-handling.
- 9.2 Following a gas-leak incident that occurred late 2008 when the building was evacuated, the OM informed the committee that more work was undertaken on data-storage, including encrypting tapes and storing off-site.
- 9.3 The Chair commended the OM and HAC staff on their efforts with regards to ensuring a strong control environment. Agreed
- 10 **Review of disclosures received under the HAC whistle blowing policy.**
- 10.1 The MDDoR reported that there have been no incidents under the Whistle Blowing policy and no changes are being made to the policy.
- 11 **Review of any reports of fraud under the HAC anti-fraud arrangements.**
- 11.1 The MDDoR reported that there have been no incidents under the anti-fraud arrangements and no changes are being made to the policy.
- 11.2 It was agreed to appoint an independent third party to investigate any matters. Agreed
- 11.3 The HAC should ensure the policy is in alignment with 'Managing Public Money.' Action

**AT THIS POINT THE MEETING MOVED INTO PRIVATE SESSION AS
COMMERCIALY SENSITIVE INFORMATION WAS DISCUSSED BY THE
COMMITTEE.**

Action list from the meeting of the Audit Committee 22.01.09

ITEM	ACTION REQUIRED	PERSON RESPONSIBLE	DATE
5.1	Steve Ecroyd reported the meeting has not happened yet and the date has yet to be agreed.	Steve Ecroyd	ASAP
6.4	Guidance is to be sought from BERR.	Managing Director and Director of Resources	ASAP
7.2	The HAC must prepare full shadow IFRS accounts by September 2009.	Managing Director and Director of Resources	September 2009
8.6	The committee noted that the format of the risk register will be amended in future to reflect the transfer.	HAC administration	Ongoing
8.7	The transfer plan will be a standing item on the agenda in the future.	HAC administration	Ongoing
11.3	The HAC should ensure the policy is in alignment with 'Managing Public Money.'	Managing Director and Director of Resources	ASAP

Agreements from the meeting of the Audit Committee 22.01.09

ITEM	DECISIONS AGREED
6.5	Following discussion, it was agreed that BERR will remain as internal auditors until transfer.
8.2	The CEO informed the committee that the judgement in the Judicial Review (JR) against Hidden Hearing ltd (HH) was in the HAC's favour, but warned that because costs have not been awarded or notice of appeals been made, that it would be prudent to leave the JR on the risk register.
9.3	The Chair commended the OM and HAC staff on their efforts with regards to ensuring a strong control environment.
11.2	It was agreed to appoint an independent third party to investigate any matters.