

Quality Manager's Report to Audit Committee meeting on 6 December 2006

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This is my first report to the Audit Committee with the aim of providing a high level illustration of the trends in quality since gaining ISO 9001:2000 registration, along with a detailed summary of the quality audit information collated over the last quarter.

Summary of quality terminology

Quality terminology

As some of the terms used in this report will be relatively new I thought I would begin by providing some definitions to put the quality terms into context and explain how they constitute the internal quality assurance processes.

Quality management system (QMS)

The quality management system (or QMS) exists to provide a formal framework describing the way HPC conducts its business. Our QMS is an electronic system that stores information on HPCs quality policy and objectives along with details of our processes and procedures.

QMS Process change

It is important that the QMS is kept up to date and the content of this is managed by the Quality Manager. This is the system that external auditors will be assessing so all employees need to be familiar with its content and purpose.

Any changes to QMS and its processes are logged through the helpdesk system. This allows process owners to view the progress of their changes and ensures that the Quality Manager has a complete audit trail of updates for audit purposes.

Quality management system (QMS) review meetings

An additional process has been set up to provide further quality assurance. Review meetings have been established on a cyclical basis giving all process owners a chance to ensure the QMS for their area of the business is reviewed on a regular basis.

Review meetings are organised by the Quality Manager on a monthly basis and the outcomes of the meetings tend to fall into 2 categories;

- 1) Highlighting areas for improvement; and/or
- 2) Highlighting the need for changes to the content of the QMS

(see appendix 3 for further information)

QMS feedback loop

It is a requirement of the ISO 9001:2000 standard that all employees be given the opportunity to provide input to the QMS. To further enhance communication and allow all employees provide quality input, an anonymous feedback loop has been set up so that all employees can provide feedback on quality related issues.

The role of the Quality Manager is to use this information to ensure that the business functions as effectively as possible. All employee feedback issues are logged by the Quality Manager and followed up with relevant process owners to ensure wherever possible action is taken to address them.

Quality process

Internal audits

The process of internal quality audits is a requirement of the ISO 9001:2000 standard. We have an internal quality audit schedule that ensures that all areas of the business are reviewed on a regular basis. The frequency of internal quality audits (in line with the standard) is scheduled in accordance with the significance of the business area being audited (core departments are reviewed twice a year and support departments once a year).

External audits

The participation in external audits is a requirement of our ISO 9001:2000 registration. We are registered with the British Standards Institute (or BSI), who conduct 2 audits a year in April and October. The format of these external audits is established with reference to/and to reflect our internal quality audit schedule.

Outcomes of quality audits

There are various outcomes of both internal and external audits. In the unlikely event that an auditor does not find any area that does not meet the requirements of the ISO 9001:2000 standard a report will be produced with no follow on actions or recommendations.

More commonly issues do arise and these fall into 2 categories:

- 1) Non conformities (or issues as they are referred to by BSI); and
- 2) Observations

Non Conformities

Non conformities are raised by an auditor where evidence of a shortfall in how the business is functioning in relation to the requirements of the ISO 9001:2000 standard is recognised.

Taking action on non conformities is compulsory. For all non conformities identified (from both internal and external quality audits) we need to be able to demonstrate that we are taking action to address each shortfall. An auditor can make a recommendation but the specific action taken is entirely our choice and can be in whatever form we feel is appropriate as long as the shortfall identified is addressed. All non conformities are logged by the Quality Manager and followed up with the relevant process owners to ensure action is taken to address them.

Observations

Observations (or issues as they are sometimes called) are areas that an auditor has drawn our attention to as there is the possibility for potential improvement or change to ensure the business functions as effectively as possible.

Taking action on observations is not compulsory but at HPC we feel it is best practise to do so. All observations are logged by the Quality Manager and followed up with the relevant process owners to see if action can be taken to address them.

(see appendix 3 for further information)

Summary of internal quality work (September 2006-November 2006)

1. Internal quality audits

Below is a list of recent and upcoming internal quality audits:

- Thursday 7 September UK Registration
- Monday 11 September Human Resources (Partners)
- Thursday 14 September Policy
- Thursday 28 September Communications
- Thursday 16 November International Registration
- Wednesday 22 November Aspirant Groups and CPD
- Monday 27 November Office Services

2. QMS review meetings

Below is a list of recent and upcoming QMS review meetings:

- Friday 8 September International registration
- Friday 8 September Finance
- Monday 25 September Human Resources (Employees)
- Wednesday 27 September CPD and Aspirant Groups
- Thursday 28 September Quality
- Friday 29 September Finance
- Monday 6 November Secretariat
- Wednesday 8 November Fitness to Practise

3. Last BSI audit

Below is a list of the departments that were audited on Monday 16 October 2006:

- Quality Management
- Finance
- Communications
- Policy

4. Next BSI audit

Below is a list of the departments that will be involved in the next round of BSI audits on Tuesday 24 April 2007:

- Quality Management 09.00 – 10.00
- CPD & Aspirant Groups 11.00 - 12.00
- Secretariat 12.00 - 11.00
- Customer Service 12.30 - 13.30
- Information and IT 13.30 - 14.30

5. Training

Some training on quality has been organised for all employees on Thursday 11 and Friday 12 January 2006. The training will be run by the Quality Manager and a representative from BSI.

(see appendix 3 for further information)

Quality reports 2004 - 2006

Quality information by department (Internal audits)

Figures 1, 2, 3 and 4 illustrate the numbers of non conformities, observations, QMS feedback and process changes that have been happening between 2004 and 2006.

Figure 1: Non conformities 2004 – 2006

You can see from Figure 1 that the numbers of non conformities identified has significantly reduced since we gained registration in 2004. As you would expect in the initial stages there were 70 non conformities identified. This has dropped significantly and there were only 2 and 6 in 2005 and 2006 respectively.

Most of the non conformities identified were related to the Registration, Fitness to Practise and Human Resources areas.

Figure 2: Observations 2004 – 2006

Figure 2 shows that the numbers of observations identified have stayed pretty uniform throughout the 3 years, although there has been a small increase in 2006. This shows that we are consistently seeking areas for change and improvement.

Figure 3: QMS feedback 2004 – 2006

Figure 3 shows that feedback on the QMS has gradually been reducing since 2004. This is for the most part due to the fact that non conformities and observations are now proactively addressed and have eliminated the need for feedback on poor quality to be flagged.

The majority of feedback has been provided by the Registration teams and as you would expect the Quality Manager.

Figure 4: Process changes 2004 – 2006

Figure 4 illustrates the numbers of process changes that have been made to our QMS system since its creation. There is no data for 2004 as process changes were not formally logged until 2005.

The numbers of process changes is pretty uniform at around 90 a year so you can see that proactively seeking inputs from process owners in terms of process change is definitely working.

The majority of process changes have come from the Human resources, Secretariat and Registrations teams.

(see appendix 1 for further information)

Quality information by area of the ISO 9001:2000 standard (Internal audits)

Figures 5, 6 and 7 give an illustration of where in terms of the ISO 9001:2000 standard most of HPC non conformities, observations and QMS feedback lie. In effect where the areas for improvement lay initially, how this changed over time and where the areas for improvement are now.

Figure 5: Quality data for 2004

In 2004 the issues where evenly spread between those relating to the Quality Management system, Management responsibility and Measurement analysis and improvement.

There were also areas for improvement identified that related to Resource Management.

Figure 6: Quality data for 2005

In 2005 the issues where much more concentrated on those relating to the Quality Management system and Management responsibility.

There were also areas for improvement identified related to Management Responsibility.

Figure 7: Quality data for 2006

In 2006 the majority of issues where related to Measurement analysis and improvement.

This reflects the fact that the quality processes are now bedded in and working effectively so the majority of issues are related to the clause for continual improvement.

(see appendix 2 for further information)

BSI audit report October 2006

A copy of the BSI audit report has been attached (see appendix 4).

HPC summary of BSI Audit report October 2006

HPC produce a summary of the BSI report that is distributed to EMT, all employees and published on our intranet site. This summary includes:

- A breakdown of any non conformities identified; and
- Details of any observations raised

A copy of the summary of the BSI report has been attached (see appendix 5).

Non conformity

Evidence

It was noted that a Fire escape doorway was blocked by a shelf unit and various boxes in the Communications department (meeting rooms 2 & 3).

Management Response (Simon Leicester)

Stephen Hall has discussed the non-conformity with the Quality Manager and to be frank, it is incorrect. The BSI Examiner saw that 1 of the 2 doors was blocked by furniture. The room in its current state has a second door (as a means of escape) out into the corridor which is a designated Fire Exit.

Employees have to be in an "area of relative safety" within 60 seconds of the Fire Alarm sounding, as well as within 30 metres of an escape route. As the escape route is the corridor outside of the room in question the door that is in there is sufficient.

Observations

Quality Management audit

Observation 1

It is suggested that the audit schedule be amended to illustrate which audits have been completed and which have not.

See appendix 5 for management response (Ruth Bacon)

Observation 2

And that an additional internal auditor is trained.

See appendix 5 for management response (Greg Ross-Sampson)

Finance audit

Observation 3

Large purchases orders are made without reference to the budget authorisation and cash flow considerations

See appendix 5 for management response (Simon Leicester)

This summary report includes a high level explanation of the findings but for full details please read the summary report (see appendix 5). From the audit on the 16 October we received 1 non conformity and 7 observations, all are discussed in the report.

Observation 4

The approved supplier list is in need of updating to ensure all evaluated suppliers are visible e.g. InfoSupport & CIPR and that re-evaluation is a routine discipline.

See appendix 5 for management response (Simon Leicester)

Observation 5

Purchase order forms would benefit from redesign to improve process control and allow the adoption of best practice

See appendix 5 for management response (Simon Leicester)

Policy audit

Observation 6

Consideration should be given to the inclusion of a requirement for Professional Indemnity Insurance by registrants.

See appendix 5 for management response (Rachel Tripp)

Quality Management audit

Observation 7

Measurement and analysis information has been subject an absence of visibility and the inputs and outputs were reviewed with the CEO during the visit.

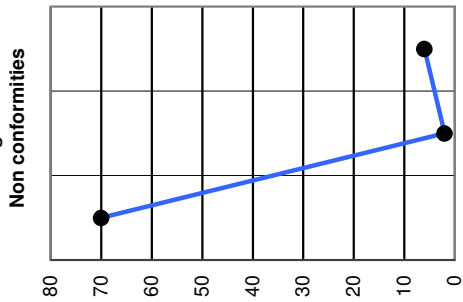
See appendix 5 for management response (Marc Seale)

Appendix 1

Quality information by department (Internal audits)

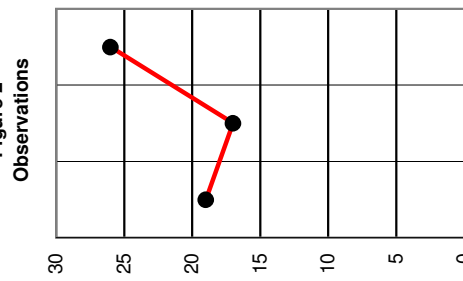
Health Professions Council

Figure 1



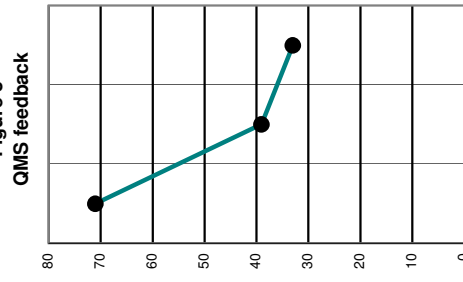
Departments	Non conformities		
	2004	2005	2006
UK Registration	17	1	1
International Registration	11	0	0
Approvals and monitoring	2	0	0
Aspirant groups and CPD	0	0	2
Secretariat	6	0	0
Fitness to practise	11	1	0
Policy	0	0	0
Communications	5	0	0
Quality Management	2	0	0
Customer service	0	0	0
HR - Employees	9	0	0
HR- Partners	1	0	0
Office services	5	0	0
Information and IT	0	0	3
Finance	1	0	0
Total	70	2	6

Figure 2



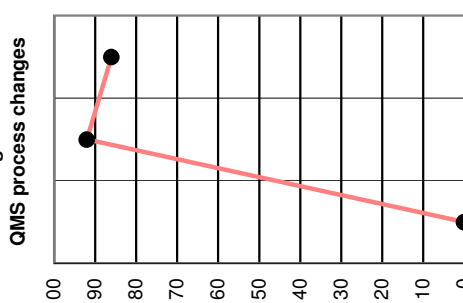
Observations	Observations		
	2004	2005	2006
	0	2	2
	1	3	0
	1	1	0
	0	1	0
	3	4	6
	1	0	0
	0	1	2
	0	0	0
	4	0	2
	11	9	9
	0	0	0
	0	0	1
	0	0	0
	0	1	4
	0	1	1
	0	0	1
	6	1	0
Total	19	17	26

Figure 3



QMS feedback	QMS feedback		
	2004	2005	2006
	37	23	14
	3	3	0
	0	0	0
	0	0	0
	0	1	2
	7	0	0
	2	1	0
	4	0	0
	11	9	9
	0	0	0
	0	0	1
	0	0	0
	0	1	0
	7	1	2
	0	0	5
Total	71	39	33

Figure 4



Process changes	Process changes		
	2004	2005	2006
	N/A	13	9
	N/A	3	2
	N/A	9	10
	N/A	0	1
	N/A	15	6
	N/A	7	1
	N/A	6	6
	N/A	5	5
	N/A	0	9
	N/A	0	0
	N/A	20	7
	N/A	9	2
	N/A	0	0
	N/A	3	17
	N/A	2	11
Total	0	92	86

A system for tracking process changes was only developed in 2005

Appendix 2

Quality information by area of the ISO 9001: 2000 standard (Internal audits)

Health Professions Council

Figure 5
Quality data for 2004



Figure 6
Quality data for 2005

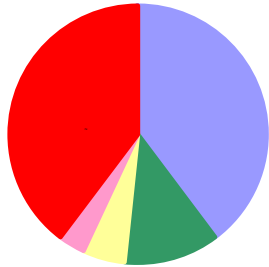
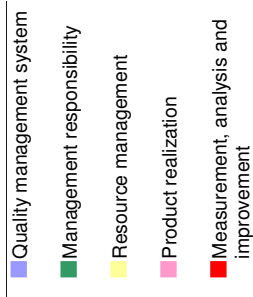
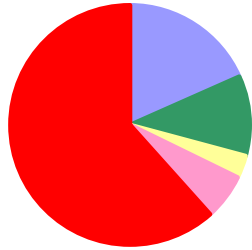


Figure 7
Quality data for 2006



Areas of the standard	2004				
	Quality management system	Management responsibility	Resource management	Product realization	Measurement, analysis and improvement
Non conformities	15	17	11	4	23
Observations	8	5	2	0	4
QMS feedback	20	17	5	4	25
Total	43	39	18	8	52

Areas of the standard	2005				
	Quality management system	Management responsibility	Resource management	Product realization	Measurement, analysis and improvement
Non conformities	1	1	0	0	0
Observations	10	3	2	2	0
QMS feedback	12	3	1	0	23
Total	23	7	3	2	23

Areas of the standard	2006				
	Quality management system	Management responsibility	Resource management	Product realization	Measurement, analysis and improvement
Non conformities	0	0	0	2	4
Observations	12	6	2	2	4
QMS feedback	0	1	0	0	32
Total	12	7	2	4	40

Appendix 3

Internal quality audit schedule

	Mar 2006	Apr 2006	May 2006	Jun 2006	Jul 2006	Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006	Jan 2007	Feb 2007
UK Registrations Claire Harkin			QMS review		Internal Audit							Internal Audit
International Registrations Mark Potter	Internal Audit	BSI Audit				QMS review			Internal Audit			
Approvals and Monitoring Abigail Creighton	QMS review			Internal Audit							Internal Audit	
Aspirant Groups and CPD Cathy Savage		BSI Audit				QMS review	Internal Audit					
Secretariat Niamh O Sullivan						Internal Audit	QMS review					Internal Audit
Fitness to Practise Kelly Johnson	Internal Audit								QMS review		Internal Audit	
Policy Rachel Tripp								BSI Audit		QMS review		Internal Audit
Communications Jacqueline Ladds		Internal Audit					Internal Audit	BSI Audit			QMS review	
Quality Ruth Bacon	QMS review	BSI Audit					QMS review	BSI Audit				
Customer Service Greg Ross-Sampson					Internal Audit							QMS review
Human Resources – Employees Larissa Foster		BSI Audit			QMS review					Internal Audit		
Human Resources – Partners Yasmin Hussain			Internal Audit							QMS review		
Office Services Stephen Hall									Internal Audit			QMS review
Information & IT Roy Dunn		QMS review		Internal Audit								
Finance Simon Leicester				QMS review		Internal Audit		BSI Audit				

Internal quality audit schedule

	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	Jan 2008	Feb 2008
UK Registrations Claire Harkin			QMS review		Internal Audit			BSI Audit				Internal Audit
International Registrations Mark Potter	Internal Audit					QMS review			Internal Audit			
Approvals and Monitoring Abigail Creighton	QMS review			Internal Audit				BSI Audit			Internal Audit	
Aspirant Groups and CPD Cathy Savage		BSI Audit					QMS review	Internal Audit				
Secretariat Niamh O'Sullivan		BSI Audit				Internal Audit		QMS review				Internal Audit
Fitness to Practise Kelly Johnson	Internal Audit								QMS review		Internal Audit	
Policy Rachel Tripp							Internal Audit			QMS review		
Communications Jacqueline Ladds		Internal Audit					Internal Audit				QMS review	
Quality Ruth Bacon	QMS review	BSI Audit					QMS review	BSI Audit				
Customer Service Greg Ross-Sampson		BSI Audit			Internal Audit							QMS review
Human Resources – Employees Larissa Foster					QMS review					Internal Audit		
Human Resources – Partners Yasmin Hussain		QMS review	Internal Audit					BSI Audit				
Office Services Stephen Hall				QMS review					Internal Audit			
Information & IT Roy Dunn	Internal Audit	BSI Audit										QMS review
Finance Simon Leicester						Internal Audit				QMS review		

Appendix 4

BSI Assessment Report



Organisation Health Professions Council
Report Author Sid Ekers
Visit Start Date 16/10/2006



Introduction

This report has been compiled by Sid Ekers and relates to the assessment activity detailed below:

Visit ref/Type/Date/Duration	Certificate/Standard	Site address
4756878 Continuing Assessment 16/10/2006 1 day(s)	FS 83074 BS EN ISO 9001:2000	Health Professions Council Park House 184 Kennington Park Road London SE11 4BU United Kingdom

The objective of the visit was to carry out a continuing assessment of the clients quality management system in compliance with the requirements of ISO9001/2000

Management summary

The objective of the assessment has been achieved and we are pleased to recommend the continuation of your registration.

The areas assessed during the course of the visit were generally found to be effective.

Corrective actions with respect to nonconformities/issues raised at the last assessment have been reviewed and found to be effectively implemented.

An issue requiring attention was identified. This, along with other findings, is contained within subsequent sections of the report.

An issue relates to a single identified lapse, which in itself would not indicate a breakdown in the management system's ability to effectively control the processes for which it was intended. It is necessary to investigate the underlying cause of any issue to determine corrective action. The proposed action will be reviewed for effective implementation at the next assessment.

Areas assessed & findings

Internal Audits

8.2.2

An effective internal audit programme is being maintained with two process audits annually in operational departments and one in support services departments .

Issues arising are being addressed , actioned as necessary and signed off on completion .

It is suggested that completed audits to programme should be easily identified on the plan and that an additional internal auditor be trained .

Work Environment / Infrastructure

6.3/4

Office amenities were found to be good and generally well aligned to modern environmental needs . It was noted that a Fire escape doorway was blocked by a shelf unit and various boxes in the Communications department and this is recorded as an issue below.

New Fire Orders have been published with effect from 1 October and it is recommended that a risk assessment is carried out by a responsible person as a matter of urgency

Finance / Purchasing

7.4

The finance department includes in its activity the purchasing process and during this audit a number of

observations were noted which you may wish to consider as improvement opportunities :

- 1 Large Purchases orders are made without reference to the budget authorisation and cash flow considerations
- 2 The approved supplier list is in need of updating to ensure all evaluated suppliers are visible eg Info Support & CIPR. and that re-evaluation is a routine discipline.
- 3 Purchase order forms would benefit from redesign to improve process control and allow the adoption of best practice

Communications

7.5

Communications are a important part of the organisation and much is being done to promote awareness of HPC activity to members the public and registrants.

This is promoted by organising focus groups ,surveys ,questionnaires , seminars ,Web site issues ,intranet which are all useful tools employed with varying degrees of success .

Process control was seen to be satisfactory and the team exhibited enthusiasm for the activity in hand

Policy and Standards

7.5

The outputs from this area followed the processes and procedures as detailed in the QMS .

An audit of the Generic Standards of Proficiency recently published showed effective results from each stage of proposal , key decision by Council ,consultation, feedback and recommendation ,report and issuance

A satisfactory and well controlled process is in place

Consideration should be given to the inclusion of a requirement for Professional Indemnity Insurance by registrants .

Quality Management System

**4.1/5.5.3,5.6/8
.4**

The documented quality system is at Revision 2 and procedures have had minor changes added all of which are available on the Intranet

Effective reporting of the QMS activity is carried out monthly by the Quality Manager giving details of improvements considered and agreed ,non-conformities raised as a result of audits and appropriate corrective/Preventive actions etc.,

It is credit that this now forms part of a process of information requested by Council

Measurement and analysis information has been subject to an absence of visibility and the inputs and outputs were reviewed with the COE during this visit .

It was confirmed that these would form part of the Management Review meetings in future and that the minutes will be communicated to all staff .This will then advise all concerned the effectiveness of the QMS as required by clause 5.5.3

With the impending records needed to maintain CPD information it is suggested that a dedicated form be devised for use by Registrants to complete. This will provide a consistent report format for reviewers instead of ad hoc presentations by individuals.

Issues raised at last assessment

Ref	Area/Process	Clause
A35109/1	Management Review	5.6 & 8.4 & 7.4
Details:	It is unclear as to where & how performance objectives are measured and are visible for all KPI.s across the business and how & when Suppliers are evaluated and re evaluated	
Actions:	Visible Objectives & KPI were viewed for the business and the effectiveness of these and the QMS is to be cascaded to all staff from Management Review Meetings . See above for Purchase process	
Closed?:	<input checked="" type="checkbox"/>	

Issues arising from this assessment

Ref	Area/Process	Clause
A56149/1	Communications Department	6.3/4
Details:	A storage shelf unit and various boxes made ineffective the fire escape from the Communications department and contravenes the Fire Regulations	

Assessment participants

The assessment was conducted on behalf of BSI by:

Name	Role
Sid Ekers	Team leader

... and on behalf of the organisation:

Name	Position
Marc Seale	CE & Registrar
Greg Ross-Sampson	Director of Operations
Ruth Bacon	Quality Manager
Simon Leicester	Finance Manager
Victoria Nash	Communications Manager
Rachel Tripp	Policy Director

Continuing assessment

The programme of continuing assessment is detailed below.

Site Address	Certificate Reference/Visit Cycle	
Health Professions Council Park House 184 Kennington Park Road London SE11 4BU United Kingdom	FS 83074	
	Visit interval:	Every 6 months
	Visit duration:	1 day(s)
	Next re-certification:	April 2007

Re-certification by Strategic Review will be conducted on completion of the cycle, or sooner as required. The review will focus on the strengths and weaknesses of your Management System.

Next visit plan

Date	Assessor	Time	Area/Process	Clause
24/04/2007	Unspecified	0900	Review of last visit report QMS changes Management Review /Audits Customer Service /Satisfaction CPD New Professions Measurement & Analysis Secretariat/IT/Document control	

Please note that BSI reserves the right to apply a charge equivalent to the full daily rate for cancellation of the visit by the organisation within 30 days of an agreed visit date.

It is a condition of Registration that a deputy management representative be nominated. It is expected that the deputy would stand in should the management representative find themselves unavailable to attend an agreed visit within 30 days of its conduct.

Notes

The assessment was based on random samples and therefore issues may exist which have not been identified.

If you wish to distribute copies of this report external to your organisation, then all pages must be included.

BSI, its staff and agents shall keep confidential all information relating to your organisation and shall not disclose any such information to any third party, except that in the public domain or required by law or relevant accreditation bodies. BSI staff, agents and accreditation bodies have signed individual confidentiality undertakings and will only receive confidential information on a 'need to know' basis.

'Just for Customers' is the website that we are pleased to offer our clients, designed to support you in maximising the benefits of your BSI registration - please go to www.bsi-global.com/Just4Customers to register. When registering for the first time you will need your client reference number 47125084 and your certificate number.

Should you wish to speak with BSI in relation to your registration, please contact our Operations Support Team:

Tel. 0845 080 9000

BSI Management Systems
PO Box 9000
Milton Keynes
MK14 6WT

Appendix 5

Summary of British Standards Institute (BSI) Assessment report

Background

Assessment Areas

The areas of the business assessed on this on **Monday 16 October 2006** were as follows. In line with the internal quality audit schedule, Quality Management, 2 core business areas and 1 support area were looked at;

- Quality Management
- Finance
- Communications
- Policy

Assessment Findings

The assessment findings are summarised below along with an explanation of what each finding means with reference to ISO 9001:2000 and HPCs business. For the non conformity, to make the explanation easier I have copied the relevant clauses from the ISO 9001:2000 standard (in italics) so you can see where the discrepancy is.

Non Conformity

As a result of the assessment one area of non-conformity was identified. Non conformities are raised where an auditor finds evidence that there is a shortfall in how the business is functioning in relation to the requirements of the ISO 9001:2000 standard. HPC will need to be able to demonstrate that we are taking action to address this shortfall. The specific action taken is entirely our choice and can be in whatever form we feel is appropriate as long as we address the shortfall identified.

Observations

In addition to the non-conformity, several issues were documented. These issues are just areas that the auditor has drawn our attention to and it is now up to us to decide whether we take action on any of these.

Non Conformity

Fire escape doorway was blocked

Evidence

It was noted that a Fire escape doorway was blocked by a shelf unit and various boxes in the Communications department and this is recorded as an issue below. New Fire Orders have been published with effect from 1 October and it is recommended that a risk assessment is carried out by a responsible person as a matter of urgency

Requirement in the ISO 9001:2000 standard

6.3 Infrastructure

The organization shall determine, provide and maintain the infrastructure needed to achieve conformity to product requirements. Infrastructure includes, as applicable

- a) buildings, workspace and associated utilities,
- b) process equipment (both hardware and software), and
- c) supporting services (such as transport or communication).

6.4 Work environment

The organization shall determine and manage the work environment needed to achieve conformity to product requirements.

Management Response (Simon Leicester)

Steve says the non-conformity for ISO has been discussed with Ruth and to be frank, is incorrect. The BSI Examiner went into Rooms 2 and 3 and saw a door blocked by furniture. The room in its current state has a means of escape out into the corridor and thence to a designated Fire Exit.

You have to be in a "area of relative safety" within 60 seconds of the Fire Alarm sounding, as well as within 30 metres of an escape route. As the escape route is the corridor outside of the room in question, I believe that this is an over reaction. With the exception of the council chamber and mezzanine, no other rooms on our premises have secondary exit routes

Observations

1. Internal Audits 8.2.2

1. It is suggested that the audit schedule be amended to illustrate which audits have been completed and which have not.

Management Response (Ruth Bacon)

The existing audit schedule will be updated to include this and published on the QMS.

2. And that an additional internal auditor is trained.

Management Response (Greg Ross-Sampson)

Ideally HPC would like to have had a second auditor from the outset when we gained ISO 9001:2000 registration however due to the size of the organisation it was too difficult to justify when the need for resource in other core areas was greater. This issue is currently being reviewed and will be reflected in the 2007-2008 budgets. However from time to time we have used the services of quality consultants for advice and quality related services. It is at these times that we call upon them to conduct internal audits.

2. Finance / Purchasing 7.4

The finance department includes in its activity the purchasing process and during this audit a number of observations were noted which you may wish to consider as improvement opportunities:

1. Large Purchases orders are made without reference to the budget authorisation and cash flow Considerations

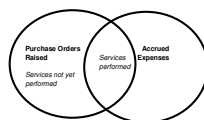
Management Response (Simon Leicester)

To elaborate, BSI queried whether anyone (not just Budget Holders) could raise a purchase order (PO). We explained that they could, although PO's needed to be signed by only those people on the active Invoice/Purchase Order Signatory list (on Springfield). In the main, these are Budget Holders or a small number (10 in total across HPC at present) of members of their departments with individual purchase order limits up to £500 only.

Regarding cash flow considerations, BSI queried whether HPC could capture purchase order financial commitments via a copy of the PO being sent to Finance Dept each time a Purchase Order was placed with a supplier and using that information, could derive commitments placed not paid for each month from which to forecast HPC cash-flow impacts. In response, we don't believe the benefits of adopting that procedure at this time outweigh the costs.

To elaborate, HPC do not currently have a computerised Purchase Order system at present and would look at this enhancement at the time of a more general Finance system upgrade, where it would likely be included in the functionality of a new system. In the meantime, the additional administrative time likely to be incurred by the Purchase Ledger Officer in entering the PO details and matching them off when the approved supplier invoice is subsequently received into the Finance Dept isn't justified by the advantages of having additional cash-flow information for cash-flow planning purposes. We effectively maintain and receive enough cash via the early billing for Registration Renewals to accommodate expected cash outflows. Instead, we believe HPC resources are better directed in improving core Purchase Ledger functions (processing expense claims and supplier payments on a timely basis) and from the Management Accountant in supporting Budget Centre managers with Expense Budget preparation and variance analysis (controlling overall spending to improve cash-flow).

It is also worth noting that even after a computerised PO system is in operation, although there are likely to be some administrative advantages, in order to correctly accrue expenses, there are a range of significant expenses for which PO's are not raised – see diagram below to summarise. These include Assessor claims, Expense claims, Payroll-related costs other than recruitment, Utility and Insurance costs and General legal costs.



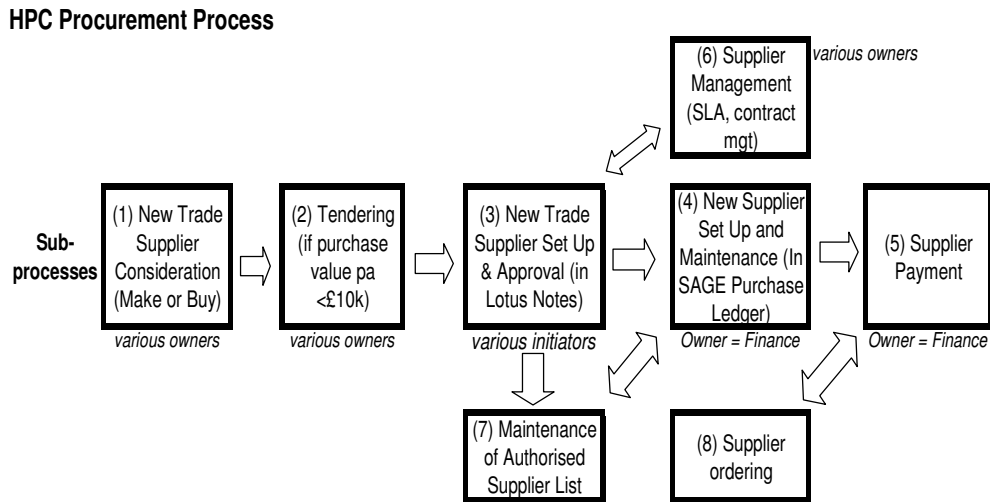
- The approved supplier list is in need of updating to ensure all evaluated suppliers are visible eg InfoSupport & CIPR and that re-evaluation is a routine discipline.

Management Response (Simon Leicester)

Final work is being done by Finance dept to ensure suppliers on SAGE Financial System are added as Approved Suppliers in Lotus Notes. These need to be assigned to a "Budget Manager" in Lotus Notes i.e. the HPC manager with the prime responsibility for managing the supplier relationship, evaluating ongoing service and imposing a tender at the appropriate time. A separate and subsequent exercise for all such "Budget Managers" listed in the Approved Supplier list is to rationalise the list of suppliers that HPC uses in order to gain bulk purchasing discounts and reduce relationship management costs. If this work is deemed urgent and high priority, Finance may need to hire outside resources to complete the list matching and Approved Supplier set up.

The IT Dept have recently enhanced the Lotus Notes Supplier list to automatically prompt the "Budget Manager" into reviewing the supplier relationship. HPC's tendering policy (Springfield>Finance>Policies and Procedures) requires suppliers to be reviewed for tender at least every four years (by the "Budget Manager"), and such managers are expected to *constantly* monitor service delivery, not just on an annual basis. However, it's important to note that some HPC suppliers continue to offer a monopoly service e.g. Lambeth Council, Digital Steps Ltd and HMRC, making tendering/re-evaluation at any time problematic.

An overview of the Procurement Process (on Springfield>Finance>Policies and Procedures) is as follows:



- Purchase order forms would benefit from redesign to improve process control and allow the adoption of best practice

Management Response (Simon Leicester)

To elaborate, BSI suggested that PO forms be pre-printed with the HPC logo and address details.

At present, we use standard, 3 copy, pre-printed, sequentially numbered PO forms, provided to us by Viking Direct. We don't fill in some of the fields on the forms e.g. "Requisition Number", "FOB Point", "Terms", "Your reference" or "Account Number".

Replacing the PO books at greater expense is something we could look at but not high priority. Our view is that we should perhaps encourage more departments using PO books to use an HPC stamp, but continue to operate the current system until such time as computerised Purchase Ordering is introduced. We are not aware of any significant process control problems caused by the ongoing use of these PO forms.

3. Policy and Standards 7.5

1. Consideration should be given to the inclusion of a requirement for Professional Indemnity Insurance by registrants.

Management Response

Some of the other regulators require evidence of indemnity insurance as criteria of registration. And registrants of those regulators can go to an FTP hearing if they don't provide evidence that they have it, or have practised without it

HPC currently request evidence of indemnity insurance for Grandparenting applications (though this is not compulsory). The insurance is part of how applicants show that they have been engaged in 'lawful, safe and effective practice' and therefore meet the criteria for route A for registration.

The recent Department of Health review of non-medical regulation mentions that regulators may begin to require evidence of indemnity insurance, so this topic will be discussed over the next couple of years. If we introduced this, it would require consultation. However, it is not currently a priority for Policy & Standards.

4. Quality Management System 4.1/5.5.3,5.6/8.4

1. Measurement and analysis information has been subject an absence of visibility and the inputs and outputs were reviewed with the CEO during the visit.
It was confirmed that these would form part of the Management Review meetings in future and that the minutes will be communicated to all staff .This will then advise all concerned the effectiveness of the QMS as required by clause 5.5.3

Management Response

We will make sure that the management reports are available for all employees to see (namely they will be on the HPC website). Middle management/process owners will continue to receive Management review data from the Quality Manager and this will be published on the intranet. EMT will consider Management review data on a quarterly basis.