

**Health Professions Council  
6 July 2006**

**2004/2005 DRAFT ANNUAL REPORT**

**Executive Summary and Recommendations**

**Introduction**

The Health Professions Council Annual Report and financial statements for the financial year 1 April 2004 to 31 March 2005 are attached.

**Decision**

The Council is asked to approve the document.

**Background information**

The Annual Report has been verified by Jonathan Bracken on 25<sup>th</sup> April 2006.

**Resource implications**

None

**Financial implications**

None

**Appendices**

None

**Date of paper**

27 June 2006.

## **HPC Annual Report**

1 April 2004 to 31 March 2005

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## President's statement

Looking back over the two previous annual reports, it is possible to see just how much the Health Professions Council (HPC) has developed as an organisation over the last three years. The first report was full of enthusiasm for the task ahead. The Council was looking forward to implementing the modern regulatory legislation that we had all been awaiting so long and the organisation was rising to the challenge. In the second report I see an organisation that had achieved a lot in a short space of time but was taking stock of where it had come from. The organisation at that stage had received some criticism from various quarters and, while it had implemented ahead of schedule, much of what the legislation required it to do, a period of reflection and collaboration was required.

As we come to the conclusion of the third year of operation under our own rules. This year twelve professions became thirteen. I now see an organisation that is fit for the future and growing.

Our focus has changed this year from registration renewals to fulfilling our education and training obligations. After a short but fruitful consultation in June and July on the Standards of Education and Training, the first programme of approvals conducted under HPC rules took place in the autumn of 2004 and are continuing apace. We now have approximately 350 programmes to approve across the UK and this number increases with every new profession we take on board. We have also undertaken a second consultation, on linking continuing professional development (CPD) to renewal of registration.

This has been our largest consultation to date and during the three month consultation, we held 46 events and saw over 7,000 health professionals. Our proposals for allowing registrants to decide for themselves the quantity and direction of their CPD, received an overall endorsement. The feedback we received from both written responses and from the events also identified the areas where we will need to take a different approach or issue guidance.

As I write this in April, 2005 it appears that the implementation of our CPD standards will take place in August 2006. By that time we will be able to address these issues fully and will have developed the requisite support packages requested during consultation. I know the Education Department within HPC is working hard to develop a structure that will support both our CPD and approvals processes. I thank both them and the Professional Liaison Groups (PLGs) that have been at the core of developing our plans in this area.

While the consultation exercise was a long one which stretched the organisation in a number of ways, it is this sort of interaction between the Council and its stakeholders that has been the cornerstone of our work over the past three years. Whether it be presenting to a small group of occupational therapists in Truro or to an audience of 450 at Hampden Park in Glasgow, hearing at first hand what people have to say about us and the way we are approaching our task is important to HPC and fundamental to its success.

I remember visiting Nottingham a year or so ago and asking the audience of about 100 people to raise their hands if they had ever met or heard of anyone from our predecessor, the Council for Professions Supplementary to Medicine (CPSM). No hands went up. I also got the same response when I asked the same question during the evening session. Since our inception, I believe that we will have seen and talked to over 15,000 health professionals and students, face-to-face, across the UK. This represents almost 10% of the Register. I am delighted by this and I am sure that HPC will continue the practice of going out and meeting with its registrants in the future.

The number of people on our Register increased by approximately 10,000 this year largely due to the addition of our first new profession, the operating department practitioners (ODPs). The ODPs were the first profession to knock on our door when the legislation allowing us to recommend professions for regulation came into being on July 9<sup>th</sup> 2003. After a successful consultation by the Department of Health they came on board officially in October 2004.

We expect to see the addition of a number of other professions to the Register, over the next few years, starting with the applied psychologists, either towards the end of this calendar year or the beginning of next. Over forty aspirant professions have contacted us about potential registration and I feel it is reassuring for the public to know that so many professions want to become regulated and add their name to a statutory register.

These are just a few of the highlights from the last twelve months; a slight change in focus, a large consultative exercise and the addition of a thirteenth profession. Unfortunately, in the space that I have, I am not able to go into depth about the some of the excellent work carried out by the Council and Executive. This work includes a PLG that developed HPC's health and disability guidance for applicants and education providers, our first annual partners conference, an analysis of the increasing numbers of fitness to practise hearings under our new rules or the training and recruitment of around 500 partners.<sup>1</sup> Suffice to say I am proud of each and every one of these achievements and thank everyone involved.

July 8<sup>th</sup> 2005 will bring to an end not only the 'grandparenting' window for twelve of our thirteen professions but also the tenure of the current Council. By the time you are reading this a new Council will be in place and charged with continuing the good work of the last three years.

It has been my pleasure to serve as President of the Health Professions Council during this time and I would like to take this opportunity to thank my fellow members of Council for the hard work they have put in over the years to help to establish HPC as the most modern healthcare regulator in the UK.

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<sup>1</sup> Partners work as agents of the HPC. They provide the expertise the HPC needs for its decision making, and ensure that we have appropriate professional, and lay (public) input into what we do. The broad term "partners" includes a variety of different roles that can be filled by people with different experience and qualifications, from members of the public to lawyers and doctors as well as health professionals on the Register.

I know that a number of my colleagues are standing for re-election or re-appointment and may well form part of the new Council on 11 July 2005, but I want to pay tribute to and thank especially those who have decided not to stand again for re-election. They are:

**Registrant Members**

Mary Crawford, occupational therapist  
Joanna Manning, paramedic  
Clare McGartland, orthoptist  
Stephen Wordsworth, operating department practitioner  
Sandy Yule, radiographer

**Alternate Members**

Graham Beastall, clinical scientist  
Rosemary Klem, radiographer  
Ian Massey, prosthetist & orthotist  
Gordon Sutehall, biomedical scientist

**Lay Members**

Colin Lea  
Jackie Stark

Without the help and dedication of these people and the rest of Council we would not have learnt nor achieved all that we have since April 2002.

My very best wishes go to the new Council members. I am convinced that, with the firm foundation that you will inherit and your expertise, HPC's future augers well.

**Professor Norma Brook**

*President*

## Chief Executive and Registrar's report

As the President's statement on the previous page alludes to, overall this year was one of good progress at the HPC.

Over the last year, the organisation has responded to feedback from stakeholders on the ways in which some of its processes were run. As a result we have restructured departments and developed more efficient and effective processes. I am pleased to say that as a result of this reorganisation project, HPC was awarded ISO 9001:2000 accreditation, meaning that our processes meet the comprehensive management standards set by the International Organisation of Standardisation (ISO). Our standards will continue to be assessed to ensure that we keep improving the ways in which we operate for the benefit of our stakeholders.

Over the last year, the workload of the organisation has increased as we take on new professions and develop new policy and standards. As a response, the organisation is growing and developing internally while strengthening links with a range of external organisations with a wealth of knowledge and experience. At the same time, the management team is working closely with Council to look at ways to ensure the organisation keeps improving and responding to the needs of all our stakeholders.

For an organisation such as ours, customer service is crucial, a fact often reflected in feedback we receive from registrants. In response, we have developed customer service standards. We intend to measure our performance against these standards over the next twelve months to improve our service delivery and the quality of the experience people have when contacting HPC. This is the first time in our (and our predecessor, CPSM's) history that attention has been focussed on this area and we are all keen to see the results. Another step we are taking to improve our services is to extend the opening hours of our registration departments. With registration renewals approaching, this will improve our availability, especially during our peak business times.

This is an example of how over the last year, mapping patterns of operation for the organisation has helped us to improve our efficiency. Other areas to benefit have been fitness to practise, approvals, and grandparenting and international registrations, as we are now better equipped to predict future patterns and prepare accordingly.

The business side of the organisation would not work without a solid strategy behind it. To that end the committees have again worked tirelessly to ensure that the management team have the support and guidance required to improve and develop procedures and ensure that the organisation is in a healthy state.

In 2005, the Council identified that £133,263 had been misappropriated as a result of the misuse of corporate credit cards by an employee within our finance branch.

As a result of this occurrence, the Council engaged a firm of forensic accountants to undertake an investigation of accounting practices that resulted in the irregularities and to undertake a review of related internal systems to assess their vulnerability to fraud. The Council are addressing the identified weaknesses in financial control. For further information about this theft, please see the Statement on Internal Control in the Financial Statements.

I know that quite a few of our Council members are stepping down at this election and I would simply like to add my thanks to them for the support they have given all the HPC employees over the past three and a half years. I hope they can be proud of the organisation they have helped to set up. The challenges for us over the next year will be building upon the work they have done in their committees and Professional Liaison Groups.

So finally I would like to take this opportunity to present to you our third annual report and accounts which I hope you will find of interest. The last twelve months have seen adaptation and steady forward momentum for HPC and I know that Norma and the Council agree with me when I say that we are taking great steps forward.

**Marc Seale**  
*Chief Executive and Registrar*

## **ACCOUNTING OFFICER DISCLOSURE**

The financial statements on pages 74 to 94, together with the Foreword and other statements on pages 59 to 66, the Independent Auditor's (Baker Tilly's) Report on pages 67 to 68 and the Certificate and Report of the Comptroller and Auditor General on pages 69 to 73, reproduce in full those included in the Accounts for The Health Professions Council for 2004-2005 that laid before the House of Commons (Parliament) on 28<sup>th</sup> April 2006.

Pages 1 to 57 of this Annual Report provide additional information, for which I am responsible, that is not included with those accounts. The auditor is required by auditing standards to read other information in documents containing audited financial statements and to consider the implications for his audit opinion. A supplementary statement has accordingly been provided by the Independent Auditor at page 7 in respect of his reading of the additional information. A supplementary statement has also been provided by the Comptroller and Auditor General at page 7 and 8 in respect of his reading of the additional information.



Marc Seale  
**Accounting Officer**

30<sup>th</sup> March 2006

## **Statutory committee reports**

1 April 2004 to 31 March 2005

### **Education and Training Committee**

#### **Principles**

**The Education and Training Committee is one of the Council's four statutory committees. Article 14 of the Health Professions Order, 2001 (the Order) states that the purpose of the Committee is to advise the Council in relation to the 'establishing of standards of proficiency... [and] the establishing of standards and requirements in respect of education and training or continuing professional development'.**

#### **Objectives**

For the year running from April 2004 to March 2005, the Committee identified five key tasks:

1. to establish the Council's Standards of Education and Training;
2. to replace the old CPSM Boards' approvals and monitoring processes with new generic processes which covered all thirteen professions;
3. to prepare proposals for the Council's requirements, standards and guidance on continuing professional development (CPD);
4. to prepare for the regulation of the operating department practitioners including preparing and submitting to the Council for its approval the Standards of Proficiency for the operating department practitioners, and approving the qualifications which meet these Standards and thus provide eligibility for registration; and
5. to prepare guidance to assist the interpretation of the Standards of Education and Training.

All five tasks involved consultation with appropriate interested parties.

#### **Achievements**

The Committee has one of the largest remits of all the Council's committees and once again this was a very full year. The Committee appointed three Professional Liaison Groups (PLGs) in 2003 to prepare suitable proposals and consultation documents for submission to the Committee, namely the Standards of Education and Training PLG, the Approvals PLG and the CPD PLG. Membership consisted of both Council members and representatives from interested parties, to ensure the provision of expert opinion in each of the areas under discussion.

The PLGs for Standards of Education and Training and the approvals and monitoring process had both reported and produced their recommendations to the Committee in early 2004, and it was agreed that the consultation on both items be carried out together. This consultation began in late March 2004 and finished on 31<sup>st</sup> May 2004. Consultation events were held in six locations throughout the United Kingdom. The Standards of Education and Training (SET) are the over-arching guidance for education providers to ensure that those who successfully complete their programmes qualify for admission to the Register. The SETs establish threshold standards which aim to be broad and enabling. These will be supplemented by guidance, which will be developed separately

using the expertise of a range of relevant stakeholders. The approval and monitoring of education providers and programmes aims to produce a simple yet effective process whereby Council can fulfil its duty, as outlined in the Order, without overburdening education providers. Both the SETs and the new approvals and monitoring process were agreed, after suitable amendment to take into account the results of the consultation, by the Committee and Council in July 2004, and came into effect in September 2004.

The Order allows the Council, to require registrants to undertake CPD if they are to remain on the Register. The Order states that if it does intend to make such a requirement, the Council must set standards for CPD and give further information on these standards. Following the results of its first consultation in 2002, the Council had agreed in principle that CPD will be linked to the renewal of registration. The Committee had then asked the continuing professional development PLG to advise it on the drafting of a consultation paper, which sets out the Council's proposals for draft Rules (which will need to be approved by the Privy Council before they come into effect), its Standards for CPD and its supplementary information to registrants on them. Forty six consultation events were held in 23 different locations throughout the UK, from September 2004 to the end of November. The response was good and the results are being processed. The Committee expects that its report will be published in July 2005.

Before operating department practitioners could be regulated, the Council was required to approve the Standards of Proficiency which indicate the minimum standards at which they would be required to practise. It was also required to produce a list of qualifications and their respective education providers which meet these standards. Operating department practitioners' section of the Register is now open for application and registration. Further, the education providers of operating department practitioner programmes will now be included in the approvals and monitoring process.

The Committee has recently formed a Professional Liaison Group to draft a guidance document for Education Providers on the Standards of Education and Training. This group is working with the professional bodies and will be reporting to the Committee in June 2005, prior to a consultation with stakeholders in the Autumn.

**Eileen Thornton**  
*Chairman*

**Niamh O'Sullivan**  
*Secretary*

## **Investigating Committee**

### **Principles**

**The Health Professions Order, 2001 provides that when an allegation is received, the Investigating Committee will decide whether there is a case to answer, and if so, refer the complaint to either the Health Committee or the Conduct and Competence Committee. The Investigating Committee investigates allegations that a fraudulent or incorrect entry has been made to the Register. The Investigating Committee is one of HPC's four statutory committees, and with the Conduct and Competence and Health Committees, is one of the three "practice committees".**

### **Objectives**

In practice, the Committee's functions are carried out by 'panels' on behalf of the Committee. These panels are made up of registered health professionals and lay members. The Committee's function is to set the strategy and policy that determine how these panels run, and to assess their performance. The Committee reviews allegations heard by the panels and in accordance with its Rules, the ongoing education, training and attendance of its members for the previous and subsequent 12 months.

### **Achievements**

The Committee has met four times during the financial year and has reviewed the allegations heard by the Committee's panels during the previous twelve months.

In accordance with Article 19(1) of the Health Professions Order 2001 'the members of each Practice Committee must include registered professionals and other members, at least one shall be a registered medical practitioner.' The Health Professions Council has now formally appointed three doctors, one for each of the practice committees. Dr Nigel Callaghan was appointed to the Investigating Committee on 1<sup>st</sup> February 2005, until 8<sup>th</sup> July 2005, when the term of current Council and Committees comes to an end. A new Council will take office on 11th July 2005 and the registered medical practitioner may be reappointed for two years as of that date.

The Committee considered the process by which panel Chairmen are appointed and training is provided. As a result of this discussion, a proposal was put to the Council that Council members should no longer serve on panels, to ensure a clear separation of function. The Committee began discussion of the competency framework by which the performance of the fitness to practise panel Chairmen could be equitably assessed and suitable training provided.

The Committee discussed the use of preliminary meetings which can be held, if considered appropriate, before formal hearings. Initially, while the new fitness to practise procedures were first being implemented, these had been held before each hearing. The Committee, having sought the advice of its legal adviser, agreed to recommend to the Council that this was now unnecessary and that such meetings should only be held in cases where there were procedural matters to be resolved. If a registrant asks for a preliminary meeting to be held, they should be asked to set out the reasons for doing so.

Initially, all allegations were "screened" by members of the Investigating Committee. The Committee considered carefully whether Screeners should be appointed by the

Council, as it is entitled to do under the Order. However, upon the Committee's advice, the Council has determined that Screeners will not be appointed for the time being. All allegations will be passed directly to Investigating Committee panels. Since allegations were first received under the Council's own fitness to practise process in July, almost no allegations were being 'screened out' and that it was in the interests of justice for all allegations to be considered by an Investigating Committee panel and that the process should not be bypassed.

The Committee continued to discuss the use of mediation. Under the Order, the practice committees may make use of mediators and the company Alternative Dispute Resolution has been employed to deal with cases which are considered suitable for mediation. However, so far, no case has been referred to mediation by the Committee's panels.

The Committee considered self-referral by registrants. The Council's Standards of Conduct, Performance and Ethics state that, although normally the police will contact the Council about people claiming to be members of our professions who have been convicted or cautioned, registrants must also tell the Council if they have any important information about their conduct or competence, or about other registrants and health professionals they work with. In particular, they must let the Council know straight away if they are:

- convicted of a criminal offence (other than a minor motoring offence) or accept a police caution;
- disciplined by any organisation responsible for regulating or licensing a health or social-care profession; or
- suspended or placed under a practice restriction by an employer or similar organisation because of concerns about their conduct or competence.

Historically, self-referral cases had been processed, under Council for Professions Supplementary to Medicine (CPSM) as allegations. The Committee took the view that this could not continue as it discouraged voluntary disclosure of convictions by registrants. In the Committee's view, self-referrals should be treated in the first instance as character issues in a similar way to convictions and cautions which are disclosed in the course of an application for admission to, or renewal of, registration. At this stage they would therefore be a registration rather than fitness to practise matter.

It will be made clear to registrants who refer such cases against themselves to the Council that the matter is going to be dealt with in this way, but with a warning that, if it appears that the registrant's fitness to practise is called into question, the matter will be referred to the Investigating Committee, at which time the registrant will have the opportunity to comment. At that point the matter will become an allegation and using this approach will ensure that the registrant is given the opportunity to comment and has the same rights as any other registrant facing an allegation. The Committee recommended that the Education and Training Committee establish appropriate procedures by which a panel comprised of members of that Committee, or, if it thinks fit, the Registration Committee may consider and report upon self-referrals. This matter has not yet been considered by the Education and Training Committee.

The Committee welcomed the creation of decision making checklists, which were noted as very useful aids in assisting both panel members and panel chairmen in the deliberation of fitness to practise proceedings.

**Neil Willis**  
*Chairman*

**Sophie Butcher**  
*Secretary*

1 April 2004 to 31 March 2005

## **Conduct and Competence Committee**

### **Principles**

**The Health Professions Order 2001, provides that, if an allegation against a registrant concerns the registrant's conduct (their behaviour, including any convictions) or their competence (their professional skills); the Conduct and Competence Committee may hold a hearing and decide whether it needs to take action in order to protect the public. The Conduct and Competence Committee is one of the HPC's four statutory committees, and with the Investigating and Health Committees, is one of the three "practice committees".**

### **Objectives**

In practice, the Committee's functions are carried out by 'panels' on behalf of the Committee. These panels are made up of registered health professionals and lay members. The Committee's function is to set the strategy and policy that determine how these panels run, and to assess their performance. The Committee reviews the allegations heard by the Committee's panels and monitors the education, training, attendance and performance of its members and panel members.

### **Achievements**

The Committee has met five times during the financial year. It has established a process by which it annually reviews the Standards of Conduct, Performance and Ethics on behalf of the Council. It has also agreed that an audit process is required which tracks and assesses the overall effectiveness of the decision-making process currently undertaken by the fitness to practise panels.

The Committee considered the process by which panel Chairmen are appointed and training is provided. As a result of this discussion, a proposal was put to the Council that Council members should no longer serve on panels, to ensure a clear separation of function. The Committee began discussion of the competency framework by which the performance of fitness to practise panel Chairmen could be equitably assessed and suitable training provided.

The Committee discussed the use of preliminary meetings which can be held, if considered appropriate, before formal hearings. Initially, while the new fitness to practise procedures were first being implemented, these had been held before each hearing. The Committee, having sought the advice of its legal adviser, agreed to recommend to the Council that this was now unnecessary and that such meetings should only be held in cases where there were procedural matters to be resolved. If a registrant asked for a preliminary meeting, they should be asked to give reasons.

The Committee revised the practice note given to fitness to practise panel members on sanctions. The Committee has also approved for recommendation to the Council, a practice note on the process which should be followed when an applicant applies for restoration to the register after being struck off.

As per Article 19(1) of the Health Professions Order 2001 'the members of each Practice Committee must include registered professionals and other members, at least one shall be a registered medical practitioner.' The Health Professions Council has now formally appointed three doctors, one for each of the practice committees. Dr Gopal Sharma was appointed to the Conduct and Competence Committee on the 1<sup>st</sup> February 2005, until 8<sup>th</sup> July 2005, when the term of current Council and Committees comes to an end. A new Council will then take office on 11th July 2005 and the registered medical practitioner may be reappointed for two years as of that date.

Following the opening of the operating department practitioner (ODP) Register on 18<sup>th</sup> October 2004, the Privy Council appointed a registrant and alternate ODP member and a lay member to Council. The lay member who was appointed to Council, Mrs Mary Clark-Glass had also been appointed to the Conduct and Competence Committee.

**Sandy Yule**  
*Chairman*

**Sophie Butcher**  
*Secretary*

## **Health Committee**

### **Principles**

**The Health Professions Order, 2001 provides that, if an allegation is made suggesting a registrant is not fit to practise because of their health, the Health Committee may hold a hearing and decide whether it needs to take action in order to protect the public. The Health Committee is one of the HPC's four statutory committees, and with the Investigating and Conduct and Competence Committees, is one of the three "practice committees".**

### **Objectives**

In practice, the Committee's functions are carried out by panels on behalf of the Committee. The panels are made up of registered health professionals and members of the public. The Committee's function is to set the strategy and policy that determine how these panels run, and to assess their performance.

### **Achievements**

From April 2004 until March 2005, the Committee met four times. During this period, the Committee continued to monitor both the themes arising out of the allegations heard by the Committee's panels, as well as the processes involved. In accordance with the Rules, the Health Committee also reviews the ongoing education, training and attendance of its members for the previous and subsequent 12 months.

As per Article 19(1) of the Health Professions Order 2001 the members of each Practice Committee must include registered professionals and other members, at least one shall be a registered medical practitioner.' The Health Professions Council has now formally appointed three doctors, one to each of the practice committees. Dr Christine Kenny was appointed to the Health Committee on the 1<sup>st</sup> February 2005, until 8<sup>th</sup> July 2005, when the term of current Council and Committees comes to an end. A new Council will take office on 11th July 2005 and the registered medical practitioner may be reappointed for two years as of that date.

The Committee considered the outcome of a seminar on health and disability which its Chairman, Mary Crawford and the Chairman of the Registration Committee, Prof. Rosemary Klem, had organised for 1<sup>st</sup> March 2004. A Health, Disability and Registration Professional Liaison Group was established in October 2004 and the Committee is working with the Group and the Registration Committee to prepare two publications. One will be about becoming a registered health professional – with information for disabled people about becoming a health professional and for admissions staff working on approved courses about applications from disabled people. The other contains information about the Health Professions Council health reference, for applicants to the Register, and for doctors.

In December, the Committee noted that it had received the first case that had been declared "not well founded". Part of the evidence had been based upon a psychiatric report. Upon consideration, the registrant's ability to practise was not found to be impaired. As a result, the Committee has asked that in cases where mental health is the issue in question, independent psychiatric advice be sought as a matter of practice by the Council's solicitors.

As health allegations are a new area of responsibility for regulators, the Committee agreed for the first year that a member of the Health Committee would Chair each Panel so that it was well informed when making decisions.

**Mary Crawford**  
*Chairman*

**Sophie Butcher**  
*Secretary*

## **Non-Statutory Committee Reports**

1 April 2004 to 31 March 2005

### **Registration Committee**

#### **Principles**

**The Registration Committee has been set up as a non-statutory sub-committee of the Education and Training Committee to help the latter fulfil certain functions under the Health Professions Order, 2001.**

#### **Objectives**

The Committee's main function is to set the policy and strategy for matters that affect the registration process for UK, International and Grandparenting applicants. The Committee reviews the application and registration processes and receives regular reports from the Registration departments, as well as reports from the Fitness to Practise department on registration appeals.

#### **Achievements**

From April 2004 until March 2005 the Committee has met five times. During this period the Committee has continued to monitor the application and registration processes.

The Committee has continued to consider the issue of English language competence. Registrants' English language proficiency must equate to level eight of the International Language Testing System for speech and language therapists and level seven (or the equivalent) for the other professions regulated by the Council. The Committee has also given guidance on alternative measures of competence in English.

The Committee also discussed health and disability in relation to applications for registration. A Health, Disability and Registration Professional Liaison Group was established in October 2004 and the Committee is working with the group and the Health Committee to prepare suitable advice for prospective students, prospective registrants and existing registrants.

The Committee has identified six countries from which the largest number of international applications are currently being received, namely Australia, New Zealand, Republic of Ireland, South Africa, India and the Philippines. It has agreed, under Article 12(2)(a) of the Health Professions Order, to identify international qualifications which are comparable to those which provide eligibility for registration in the United Kingdom. The outcome for applicants who have completed a specific course in a particular institution will be reviewed and, where a minimum of ten applicants with that qualification have been eligible for Registration, that qualification will be presented to the Committee for endorsement as a comparable qualification for the purposes of registration. This process is not about approving individuals for registration nor about approving courses per se; rather, it is about establishing a list of comparable qualifications based on cumulative experience gained from repeated assessment, by the registration assessors, of the content of the course leading to a specific qualification. It should therefore greatly speed up the process of application and registration. Further, it covers only those qualifications which in themselves, without post-qualifying experience, are considered to meet the Standards of Proficiency and is thus likely to cover relatively new programmes only. This list of comparable qualifications and the process through which it is established will be subject to ongoing monitoring. An initial list of physiotherapy qualifications gained on

completion of courses undertaken in particular years from named institutions has been agreed.

**Rosemary Klem**  
*Chairman*

**Colin Bendall**  
*Secretary*

## Communications Committee

### Principles

**Article 3 (13) of the Health Professions Order states that the ‘Council shall inform and educate registrants, and shall inform the public, about its work.’ The Communications Committee has been established to ensure that the Council fulfils both these obligations under the Health Professions Order, as well as a key objective of being communicative and responsive.<sup>2</sup>**

### Objectives

The Committee’s main objective is to set the communications strategy and to ensure that this meets the communications needs of a wide range of stakeholders. The Committee also ensures that the strategy is delivered in a targeted, inclusive, economical and simple way. HPC’s stakeholders are defined as:

1. registered health professionals;
2. people using or needing the services of health professionals;
3. stakeholder groups (including professional bodies, employers, Government, Partners); and
4. HPC staff and Council members.

### Achievements

One of the key achievements of the communications strategy over the past year has been the launch of a public awareness drive which has included a public engagement day (market research) and HPC’s first national advertising campaign.

The committee noted that raising awareness about a small organisation such as HPC is challenging, due to the diversity of both the thirteen professions regulated and the target audience which spans many different sectors and age groups. However the Committee felt it was important to initially target the following two groups:

1. adults with a natural responsibility towards family health issues
2. adults with an immediate need for treatment from a health professional, or with an increased likelihood of needing treatment from a health professional.

The advertising campaign was launched in magazines and is set to expand onto the London Underground and national radio in the future. To date it has reached an estimated audience of over 25 million people and as part of our overall public awareness campaign has helped HPC to raise its profile. More information on our advertising campaign can be read on page 30.

The Committee felt it was important to identify the specific communications needs of the public through direct engagement. In July 2004, HPC held an event in Birmingham to discuss regulation in general and how people viewed the Health Professions Council in particular. The main point to arise from the day was that people trusted health professionals and expected them to maintain high standards of conduct and practice. The group understood regulation as a concept but were not aware of the different health regulators, or their roles. Overall, they felt that the existence of HPC was important and reassuring, and asked that we become more publicly visible.

The Committee felt that we should also start communicating with our Partners, who work on behalf of HPC as visitors, registration assessors and fitness to practise panel members, to

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<sup>2</sup> The Council has set out the following 6 key objectives as part of its aims and vision:

1. protecting the public
2. communication and responsiveness
3. value for money and audit
4. transparency
5. collaboration
6. provision of a high quality service

help the Council carry out its duties. Over 500 Partners had been recruited by the summer of 2004 which led the Committee to decide to bring the group together for a business update, and to provide an opportunity to learn and network. As a result, over 250 Partners gathered in Manchester in September 2004 for a two day conference. From the feedback received by delegates it is clear that the conference was a valuable experience. The Committee plans to hold a similar event every 18 months to reflect on past achievements, review processes and to help develop future strategies.

In last year's annual report the Committee noted the importance of customer service for the organisation. In the past year, a full-time customer service manager has been appointed. This represents an important step in helping HPC achieve the long awaited service standards which are now operational within the customer facing departments of the organisation. On-going training and mentoring will now be a regular feature of the work staff members undertake to ensure continued development.

The Committee felt it was important to maintain and expand the existing communications with the health professionals on our Register. Over the last year, successful listening events have been held in Aberdeen, Bristol, Bournemouth, Manchester and Blackpool. In addition 46 continuing professional development (CPD) events were held across the UK which attracted over 6,500 health professionals. Overall, 2004 to 2005 has been the busiest year yet for communicating directly with registrants.

Finally we would like to thank Jo Manning, Jackie Stark and Clare McGartland, all of whom have played an important part in the Committee over the past four years. All three have decided to step down from the Council at this election and we wish them all the best for the future. We would also like to thank the committee members who are returning in July. With both returning and new, members, we look forward to continuing the good work the Committee and the department have started since 2001.

**Shaheen Chaudhry**  
*Interim Committee Chair*

**Chris Middleton**  
*Secretary*

1 April 2004 to 31 March 2005  
**Finance and Resources Committee**

### **Principles**

**The Finance and Resources Committee is a non-statutory Committee of the Council. It has been set up to make recommendations to the Council regarding the budget, and other issues relating to the finances of the Council.**

### **Objectives**

The primary function of the Committee is to monitor the finances and other resources of the organisation on behalf of the Council. Its remit also covers Human Resources, Information and IT and Office Services. The Committee is responsible for ensuring that appropriate and robust financial and accounting systems are in place.

### **Achievements**

The Finance and Resources Committee is comprised of twelve members and met seven times during the year, the majority of members attending at least five times. The Committee also sat once as the Remuneration Committee.

During the year the committee reviewed:

- the monthly management accounts which reported performance against budget throughout the year;
- the ongoing maintenance of the five-year financial plan and the prospective budget for the year 2005/6; and
- the quarterly valuations and commentaries received from the investment managers, Carr Sheppards Crosthwaite Limited, which showed a healthy increase in valuation through the year.

In 2005, the Council identified that £133,263 had been misappropriated as a result of the misuse of corporate credit cards by an employee within its finance branch.

As a result of this occurrence, the Council engaged a firm of forensic auditors to undertake an investigation of accounting practices that resulted in the irregularities and to undertake a review of related internal systems to assess their vulnerability to fraud. The Council are addressing the identified weaknesses in financial control. For further information about this theft, please see the Statement on Internal Control in the Financial Statements.

The Committee reviewed the various drafts of the financial statements for the year ending 31<sup>st</sup> March 2005, which eventually received unqualified audit opinions from the joint external auditors except for the qualification regarding the expenditure relating to the misappropriation of funds on the regularity audit report regarding whether, the expenditure and income have, in all material aspects, been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The financial statements were laid before Parliament on 28<sup>th</sup> April 2006.

The financial results for the year and comments are shown elsewhere in this Annual Report but the committee noted that, whilst the income budget was attained, costs had overrun, especially on the consultation events, recruitment and training of partners and legal costs, in particular on fitness to practise hearings and registration appeals. Consequently the original budget target was not met, although some funds were transferred to reserves. The Committee recommended a reserves policy (to attain reserves equal to three month's operational costs) to Council and the policy has now been adopted.

The half-yearly production of a Risk Assessment Document was monitored by the Committee. The Audit Committee, a sub-committee of the Finance and Resources Committee, monitors the financial risks and reviews the detailed work of the external and internal auditors. It is likely to take over the whole of the monitoring of risk in the new year.

The Committee received departmental reports from all the relevant departmental managers.

The Finance department regularly reported on the financial situation which had improved considerably since the previous year. Negotiations took place with the bank to enhance interest rates by moving from a business reserve account to a special interest account and the organisation has also taken out a £1,000,000 cash bond on a three-monthly basis.

Various other projects were undertaken by the Finance department during the year. These included negotiating special terms for hotels through the organisation's travel agent, P & O Business Travel and assessing attendance allowance rates for members of Council and Partners. There is an ongoing project with regard to business rates liability.

Human Resources kept the committee apprised with regard to the recruitment and training of new employees and partners. It also took on a bespoke software system and endeavoured to bring all its procedures up to date.

Information and IT reported regularly to the committee about ongoing work. This included assisting the organisation to attain ISO certification, setting up the registration system to take operating department practitioners onto the Register, preparing for the implementation of the Freedom of Information Act 2000 and developing databases and automated procedures for various departments. Significant planning work has taken place with regard to renewals, to take place in 2005 and in developing the IT Disaster Recovery Plan.

The committee has reviewed and approved the goals and objectives of all the departments that report to it. It reviewed the Chief Executive's payroll recommendations when it sat as the Remuneration Committee in March. Proper pay scales, on which we have been professionally advised, are in place.

The committee has also been reviewing the organisation's future accommodation requirements as it grows to take on more registrants.

Once again the Finance and Resources Committee has had a busy and challenging year. It is pleased that reserves are now increasing, albeit slowly, and that a budgeted surplus is planned for next year.

**Colin Lea**  
*Chairman*

1 April 2004 to 31 March 2005

## **Audit Committee**

### **Principles:**

**The Audit Committee is a non-statutory sub-committee of the Finance Committee. It reviews the HPC's financial systems by reviewing individual transactions with registrants, staff and suppliers. The Committee has oversight of the HPC's internal and external audit process.**

### **Objectives**

The Committee has been set up to act as the primary link between HPC and the joint external auditors, BDO Stoy Hayward LLP\* and the National Audit Office.

### **Achievements:**

The Audit Committee met three times during the year from April 2004 to March 2005. The Committee received detailed management letters from each auditor following the completion of the audit of the financial statements for the year ended 31 March 2004. Neither auditor made changes to the overall results of the organisation but advised us concerning various disclosure matters. Some minor internal control matters were brought to our attention and these have been addressed by the executive during the year. In particular it was not easy to audit certain aspects of the LISA registration system. This resulted in BDO Stoy Hayward needing to undertake additional manual work to prove income and deferred income figures. During 2004/5 additional computerised reporting structures have been put in place in order to overcome this problem.

The Internal Audit Department of BDO Stoy Hayward LLP is retained to perform an internal audit function for the HPC. This department is independent of the external audit function. During the year internal audit work was undertaken on purchases and payments. There were a number of matters where procedures could be enhanced and the majority of the recommendations received have now been implemented.

Internal audit work was also undertaken on the Human Resources department's systems. Unfortunately there were some areas where procedures and controls were deficient and the Human Resources department will be striving to rectify matters before a further audit is undertaken later in 2005.

Since the HPC was set up audit committee requirements have evolved and the National Audit Office facilitated a Self-Assessment Review Day, which was attended by all available members of the Committee together with members of the Finance and Resources Committee and the executive. It was agreed that the role of the Committee should be expanded to embrace overall risk and corporate governance, not just financial risks as at present, and that the Committee should report in future directly to Council rather than be a sub-committee of the Finance and Resources Committee. This is likely to take place during 2005/6.

The Committee was involved in scheduling the planning and audit of the financial statements for the year ended 31 March 2005.

### **Sandy Yule**

*Chairman*

\*On 19 May 2005, BDO Stoy Hayward resigned as auditors. The Council appointed Baker Tilly as external auditors in May 2005, and PKF (UK LLP) as internal auditors in May 2006. The Comptroller and Auditor General also examines, certifies and reports on the annual account as laid down in the Health Professions Order 2001.

1 April 2004 to 31 March 2005

## **Approvals Committee**

### **Principles**

**The Approvals Committee was established in May 2004 as a non-statutory sub-committee of the Education and Training Committee. It has been set up to deal with aspects of course approvals, including considering visitor reports.**

### **Objectives**

The primary purpose of the Committee is to oversee the development, implementation and ongoing review of the Council's procedures for the approval and monitoring of programmes and providers.

### **Achievements**

Since its formation, the Committee has met on six occasions. The initial focus of attention has been the development of new operating procedures, co-ordinated and managed by HPC, and replacing those previously undertaken by Joint Validation Committees and Pre-registration Education and Training Working Groups for each profession. Following a national consultation exercise on the proposed principles, detailed procedures for the approvals of programmes and providers were developed, along with associated guidance documentation and visitor training programmes.

A number of approval events have now been conducted using the new procedures and a forward programme of events has been developed. Evaluation of the initial events led to further refinement to the operating procedures. Work is currently ongoing to develop the detailed procedures for the annual monitoring of programmes with a view to this being implemented in late 2005. Further training events for visitors are also scheduled to take place during the current year

**Prof. John Harper**  
*Chairman*

**Colin Bendall**  
*Secretary*

## Approvals Process

**The Education and Policy department is currently undertaking approvals visits to Education Providers across the UK. By the end of June 2005 over 70 visits will have been completed. From September 2005 we expect to undertake approximately 100 visits during the course of the next academic year across all the professions.**

At the end of this current round of approval visits the department will undertake an analysis of the types of conditions and recommendations set at approvals visits. If trends appear across the Standards of Education and Training then this will be taken into account in the information given to Education Providers and HPC Visitors.

The Department is in the process of recruiting visitors for arts therapy, paramedic, biomedical science and ODP visits. A very successful visitor training day was held in April 2005 and an additional three training days have been planned for July, August and October 2005. The visitors' guidance documentation will be published in the Autumn 2005.

Guidance on the Standards of Education and Training is being developed for education providers to facilitate visits. This is being developed in consultation with professional bodies and with guidance from the HPC Professional Liaison Group. The Council is pleased to be working closely with the professional bodies in this regard.

A process for annual monitoring reports (AMR) is to be set up during the summer 2005, education providers will be contacted about AMR in October 2005 and we expect to receive first sets of AMR documentation in February/March 2006.

## Aspirant Groups

Under the Health Professions Order, 2001 the HPC is able to make recommendations to the Health Secretary about the regulation of new professions. The Register initially opened with twelve professions in July 2003. Since then the HPC has welcomed the operating department practitioners and made recommendations to the Secretary of State for Health for a further six professions. We expect that the next new profession to join the Register will be the applied psychologists. On 10 March 2005, the Department of Health published their consultation paper on the statutory regulation of applied psychology. The consultation concludes on 9 June and it is anticipated that the applied psychologists will join the HPC Register in late 2005/early 2006.

To date, we have held discussions with over thirty aspirant groups. The professions we have recommended for regulation to date are represented by:

Applied psychologists:	the British Psychological Society;
Clinical physiologists:	the Clinical Physiologists Registration Council;
Clinical technologists:	the Voluntary Register of Clinical Technologists;
Clinical perfusionists:	the Society of Clinical Perfusion Scientists;
Medical illustrators:	the Institute of Medical Illustrators; and
Dance movement therapists:	the Association for Dance Movement Therapy UK.

The maxillofacial prosthetists and technologists will be presenting to the Council at its June meeting where this profession will be considered for recommendation.

## **Continuing Professional Development**

The Health Professions Order (2001) allows the Council to require registrants to undertake continuing professional development (CPD) if they are to remain on the Register. The Council agreed in principle that CPD will be linked to the renewal of registration, arising from the results of its first consultation in 2002. Therefore, in September 2004 we produced a consultation paper which set out a number of proposals for draft Rules, Standards for CPD and guidance to registrants on them. We then held a number of consultation events at 23 different locations across the UK between September and December 2004.

Our consultation attracted a high level of interest and generated a large volume of responses, from organisations and individuals alike. We received almost 1,500 written responses and more than 6,500 individuals attended one of the 46 consultation events that we held throughout the UK. These two sources gave us a wealth of information, which we have used to shape our subsequent decisions.

We are in the process of finalising the Key Decisions document arising from the analysis of the consultation exercise for consideration by the Council at its meeting in July 2005.

## Health, disability and registration

**Work on issues around health, disability and registration first began in March 2004, when the Council held a discussion meeting for Council members and representatives of professional bodies.**

The Council has established an overall policy for how it will deal with issues around health, disability and registration. The full policy is available to download from our website, but several key points from the policy are below:

### Key principles behind our work

- Protecting the public

We were set up to protect the public. The protection of the public must therefore take precedence over other considerations when setting policy and strategy, and when making decisions about individuals.

- Professional self-regulation

The Council wishes to avoid unnecessary intrusion into matters which the registrant wants to keep private. As far as possible, we want to set up a system where a minimum of intervention is needed to protect the public, and where registrants actively participate in their own regulation, making professional opinions about their own fitness to practise and adjusting their practice accordingly.

- Outcomes not methods

All registrants must meet our Standards of Proficiency.

*How* those standards are met is not a matter for us, unless there is an alleged breach. This means that registrants can make adjustments to the way that they practise, and as long as they continue to meet our standards, they need not be concerned that they need to involve us in their continuing fitness to practise.

- Our expectations of all registrants

We expect all registrants to restrict or to adapt their practice where any factor (health, disability, conduct, or anything else) may affect their fitness to practise. This is a general expectation which applies to all registrants, not only those who consider themselves to have a health or disability issue, or who have alerted us to it.

- Registration and employment

There is a fundamental difference between being registered as a health professional and being employed as a health professional. It is very important that registration is never seen as a guarantee of employment. Fitness to practise is not a guarantee of the opportunity to practise, and it is not the same as fitness to work.

### Managing fitness to practise

The Council has drafted a document entitled 'Managing fitness to practise' which talks about the steps that registrants can take to manage their fitness to practise, to ensure that they keep to our standards, and that they can remain registered. This document is to provide more information for people on our Register who are concerned about their fitness to practise, and willing to take steps to ensure that the public is protected. This document will be consulted on later in 2005 before it is published.

## Professional Liaison Group

The Council agreed to set up a Professional Liaison Group (PLG) to look at drafting further guidance on these issues. We set up a group which included Council members (professional and lay), representatives from professional bodies, from education, and from disability groups, to advise the Council.

The group agreed to draft two documents:

- 'Information about the health reference'; and
- 'Becoming a registered health professional'.

'Information about the health reference' will contain information for applicants to the Register about our health reference, and also information for doctors who are asked to complete the health reference for their patient.

'Becoming a registered health professional' will contain information for disabled people about becoming a health professional, and will also contain information for admissions staff working in approved courses, who deal with applications from people with disabilities.

Both of these documents will be the subject of a consultation before they are published. During the consultation we will seek input and ideas from a wide variety of stakeholders, we will publish the documents online, and we will take account of comments and ideas received when we amend the documents.

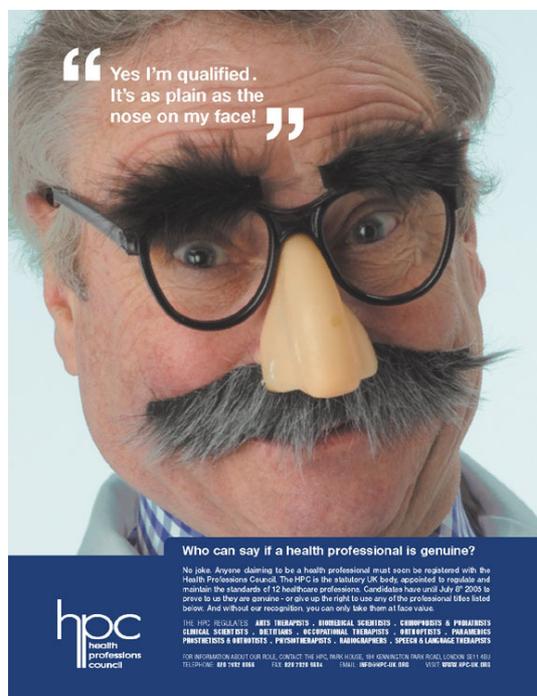
### Meetings of the PLG

<b>October 2004</b>	Discussion meeting: the group shared ideas about the HPC's approach, and the work that the group could undertake.
<b>February 2005</b>	Planning meeting: the group agreed a workplan, and had group discussions about the audiences for the documents, the queries raised, and the structure.

### Further planned meetings (at the time of printing this document)

<b>April 2005</b>	First draft meeting: the group will discuss a first draft of each of the documents, and possible amendments / omissions / improvements
<b>June 2005</b>	Final draft meeting: the group will agree a final draft that they can recommend to the Council.

## Advertising



One of our adverts from the 2004/2005 campaign

### Background

In 2004, the Health Professions Council became the first health regulator to advertise. The aim of the adverts was to raise public awareness through three simple, key messages; who we are, what we do and how to contact us. Following considerable market research with members of the public, we realised that awareness about the HPC was very low; a direct advertising campaign was an ideal opportunity to begin raising awareness about the HPC and our function.

### Our aims

The main aim of our advertising campaign is to raise awareness amongst the public. The adverts were specifically designed to appeal to members of the public who had not previously heard of the Health Professions Council. The adverts are purely informative and use humour to convey a serious message about rogue practitioners and the risk they pose to the public. Our message was simple; who we are, what we do and how to get in touch.

### July 9<sup>th</sup> 2005

This date has always been a key issue in our advertisement development. The transitional period or 'Grandparenting' closes for 12 of the 13 professions regulated by the HPC and we saw this is a unique opportunity to base the pre-July campaign around. Our message has gradually become more serious in the build up to the deadline which we hoped would appeal to the public and alert any people still using a professional title who were not registered.

### Mediums

Our target audience was identified as being women with children as they are most likely to make their families health decisions. Another key audience is the elderly as they are more likely to use the services of private practitioners. We identified a number of key titles that

would best reach our target audience. Adverts appeared in titles such as Asda Magazine, Boots Health and Beauty, Sainsbury's Magazine, Zest, Top Sante and Saga Magazine. Adverts also appeared in a number of sports titles. We also ran a four week campaign from October to November on Saga FM that broadcasts to over 1.2 million listeners per week in the West and East Midlands, Glasgow and on the digital network.

We also began advertising on yell.com. A banner appears if a member of the public searches for a health professional for example 'dietitian' or 'physiotherapist'. The advert encourages them to check their health professional is registered by directing them to our website.

### **Audience Reached**

We reached over twenty million people with our adverts in 2004/2005.

The feedback we have received from members of the public and stakeholders has been positive and encouraging. An increasing number of health professionals are requesting public information leaflets and posters, particularly those working in private practice which is helping us to get our message across to patients about regulation and protected titles.

### **Forthcoming Advertising**

Due to budget constraints we are unable to advertise on television; however we are hoping over the next year to expand to buses and tubes to advertise and to further explore radio opportunities. We will also be mailing posters to doctor's surgeries so that the public will see our adverts when they are most receptive to messages about health and wellbeing.

To see our print adverts and listen to our radio adverts please see the HPC website:

[www.hpc-uk.org](http://www.hpc-uk.org)

Our website [www.hpc-uk.org](http://www.hpc-uk.org)

Over the past twelve months the Communications department has been involved in further developing the HPC website and in developing the new website to be launched in May 2005.

The website remains the most cost-effective and efficient way of making large amounts of information available to large numbers of people, and we have consistently utilised the website as a tool to communicate news quickly and effectively to our registrants and stakeholders. The website is the best way of keeping up to date with our work, and what we are doing.

### 24 hour access

We want to make sure that all the information stakeholders require is available on-line so people don't have to wait until our office opens to find the information they require. We also want to make public information about what we do, and who we are available outside office hours.

### New website



Later this year we will be launching our new website. This has been designed based on feedback received during market research conducted with registrants and members of the public. The new site will be more user friendly, contain more information and be easier to maintain.

To achieve our aims we needed to completely re-design the site, and ensure that the new design is fully compliant with external measures of accessibility, including accessibility for people with disabilities.

### Accessibility

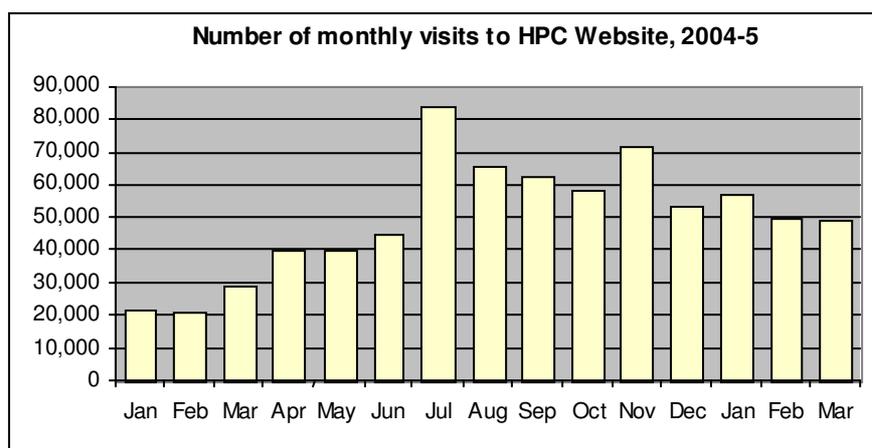
The new website will be designed to be as accessible as possible.

To make the website easy to view, we have designed it in accordance with guidelines laid down by the Web Accessibility Initiative (WAI) and the Royal National Institute for the Blind (RNIB).

Measures we have taken to ensure accessibility

- using meaningful ALT text for all images to provide descriptive text
- using descriptive hyperlink text
- avoiding the use of frames, which are difficult for special browsers to interpret
- using an easy-to-see web colour scheme
- using an easier to read non-serif font type, size and colour.

The number of people visiting the HPC website each month:



### Publications index - [www.hpc-uk.org/publications/](http://www.hpc-uk.org/publications/)

All our publications are available on-line. They are available to download in plain text or as a PDF. Some are available in alternative languages. We only print a limited number of publications each year so we try to encourage people to print off their own copies from the website.

### 'Apply' section - [www.hpc-uk.org/apply/](http://www.hpc-uk.org/apply/)

All our forms are available on-line along with extensive guidance about how to complete your application.

### Fitness to practise - [www.hpc-uk.org/complaints/](http://www.hpc-uk.org/complaints/)

Each time a case is well-founded, we post information online including the allegation, the panel's decision and direction (for example: striking off, or a caution), the transcript of the hearing, and a news release which is sent to the local press.

In addition, information about upcoming future hearings is posted online.

This section of the website is called 'complaints' as we thought that 'fitness to practise' might not be understood by all users of the website. It also contains information on how to make an allegation against a health professional, and how to contact us about our levels of customer service.

## Health regulation worldwide



This section of the HPC website attempts to list in one place all relevant bodies involved in the regulation of health professionals, throughout the world. This is an ambitious and ongoing piece of work, which depends as much on visitors to the site emailing in information as it does on HPC Council members' information, and staff research.

During the past year, this unique resource has been moved from 'static' web pages onto a database format. This means the information stored about each organisation is easier to sort and search, easier for us to maintain, and easier for the user to access.

The site only lists the web addresses of regulators and professional bodies; it does not list postal addresses or telephone numbers. This means that the information can be kept accurate and up-to-date with a minimum of resources. Information about health regulators across the globe can be required by many people, from health professionals who want to practise outside the UK, to other regulators who want to know whether their applicant has ever been struck off by another regulator. We hope that this area of the site will continue to grow, and to be a source of useful information to visitors to our website.

### **Future issues**

We hope to have on-line renewals and application forms available in the near future allowing people to renew their registration and apply to be registered 24 hours a day, 7 days a week. We may also develop a private registrants section, making it easier for registrants and the public to determine what information is relevant to them.

### **Your input**

If you have any comments to make about the HPC website, either good or bad, please get in contact with us at [webmaster@hpc-uk.org](mailto:webmaster@hpc-uk.org)

We welcome constructive feedback that will help us to make the site useful, and make the information that you need easily available.

## Customer Service

**Throughout the past year, customer service at the Health Professions Council (HPC) has progressed rapidly. The two new major developments in this area are the customer service database, and the implementation of customer service standards initially in the registration departments, and then to the whole organisation by the end of 2005.**

### **Customer Service Standards**

The HPC recognises the importance of its registrants and values the relationship it has with both internal and external customers. In an effort to maintain and continuously improve the quality of these relationships, organisational customer service standards have been set.

These are a powerful way of shaping the image our stakeholders have of the organisation, and a clear indicator for each HPC employee as to what level of service they should be achieving, or aiming to achieve. Customer service standards help us show evidence of service consistency and reliability, and ensure all our customers feel they are being treated in the same way.

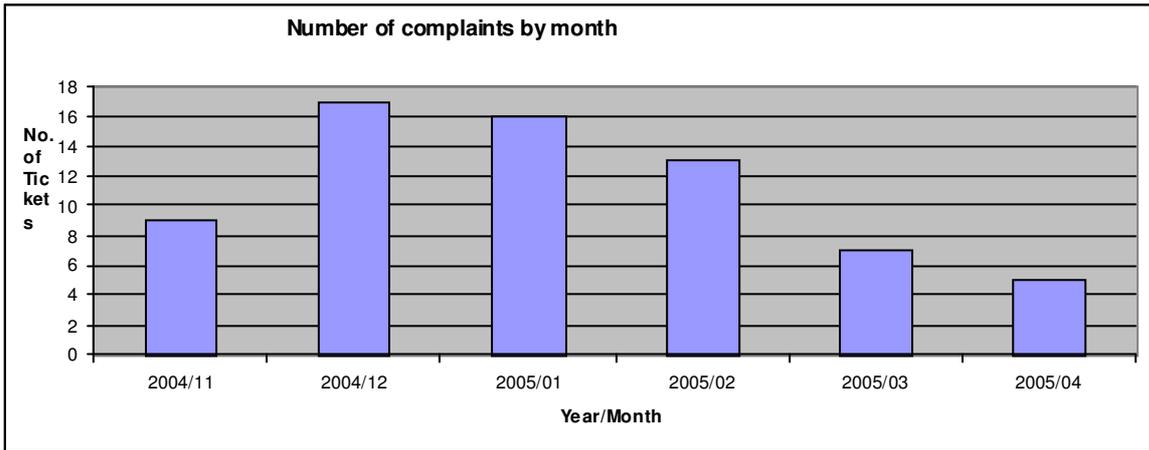
To achieve the highest level of customer service possible, customer service standards are vital in measuring how well each employee meets the level of service to which we aspire. With the introduction of these standards across the whole organisation, we can pinpoint exact training needs across departments, as well as on an individual basis.

### **Customer service database**

Over the past year, many changes and developments have taken place in this area of the organisation. One major development is the implementation of a customer service database. This allows all correspondence to be tracked as soon as it reaches the HPC, until a response is sent out. This means that we can check whether our service level agreements are being achieved, whilst also having one central database, where all the complaints and positive feedback can be stored, and referred back to at any point.

Using charts produced from the database (see example below), we can identify the major problem areas in the organisation and which department they may be occurring in, as well as the 'type' of problems.

As you can see from the following diagram, the new database allows us to track the number of complaints we receive each month, as well as identifying any peaks and troughs in the number of complaints received. Other information extracted from the database can pinpoint specific 'problem' areas; at this stage it is the task of the customer service manager and relevant departments involved, to work out how to solve the problem with a long term solution that will help the business run more effectively, and reduce the number of complaints received from our customers.



A Chart showing the number of complaints received per month from November 2004.

## Events

**Events play an important part in ensuring continuing and positive dialogue between HPC and our stakeholders. Last year was our busiest year yet for events, including a nationwide consultation on CPD and our inaugural partners' conference, as well as continuing both our listening event programme and attendance at a variety of external conferences.**

### **CPD Consultation events**

During the autumn of 2004, we held 46 events over 10 weeks at 23 venues across the UK. These events consisted of a presentation on our proposals for CPD followed by a 90 minute Q&A session to a panel of Council members. We had a phenomenal response to these events with over 7,000 people attending, providing varied and detailed feedback to the consultation.

### **Listening events**

These events are designed to give registrants and the public the opportunity to see and hear first hand how the HPC is progressing and give feedback on how we can improve. Over the last 12 months we have run 10 events at 5 different locations nationwide. In 2004 we visited Aberdeen, Bournemouth and Bristol, and in February 2005 we held events in Manchester and Blackpool. These events were all well attended and covered a wide variety of topics. Popular areas of interest have included CPD, queries over scope of practice and registration and growing interest in what we are doing to prevent the misuse of protected titles. Comments and feedback we receive at these events play a significant role when developing future HPC strategy and regulation of health professionals.

### **Partners' conference**

Over 250 partners attended our first partners' conference in September 2004, at the Palace Hotel in Manchester. The aim of the conference was to introduce partners to the workings and work of HPC whilst strengthening their relationship with HPC. The conference was very positive and we hope to continue holding this type of event every two years.

### **Annual meeting**

HPC's annual meeting will be held at Park House on 8<sup>th</sup> July 2005.

### **Registration seminars**

We held a series of events at universities around the UK aimed at programme leaders for approved courses. They were designed to explain in detail the process for UK graduates to apply to be registered with the HPC. These seminars have proved very helpful in increasing understanding of HPC's processes amongst education providers and applicants, and aim to make the application process simpler and more efficient. We received positive feedback from these events in 2004 and are planning to hold a total of 8 more events in April and May, this year.

### **External conferences and exhibitions**

We have exhibited at the following conferences over the last 12 months:

26<sup>th</sup> - 28<sup>th</sup> April 2004

UNISON Annual Health Conference, SECC, Glasgow

30<sup>th</sup> April – 1<sup>st</sup> May 2004

Institute of Chiropractors & Podiatrists 2004 Conference and Trade Exhibition, Moathouse Hotel, Bedford

4<sup>th</sup> - 6<sup>th</sup> May 2004

HR in the NHS, ICC, Birmingham

28<sup>th</sup> - 31<sup>st</sup> May 2004  
The XIVth International Congress of Dietetics, 2004

### **Conferences and Exhibitions 2005-2006**

Over the next 12 months we will be exhibiting at the following conferences:

19<sup>th</sup> – 21<sup>st</sup> April 2005  
AODP (Association of Operating Department Practitioners) Conference & Exhibition 2005,  
MICC, Manchester

11<sup>th</sup>-13<sup>th</sup> May 2005  
HR in the NHS, ICC, Birmingham

21<sup>st</sup> - 23<sup>rd</sup> June 2005  
The Trading Standards Institute's Annual Conference & Exhibition, Metropole Hotel, Brighton

26 – 28<sup>th</sup> September 2005  
Biomedical Science Exhibition, The Congress of The Institute of Biomedical Science, ICC,  
Birmingham

Please see our website for more details  
*Link to follow*

### **Listening events 2005-2006**

We will be holding the following meetings over the next 12 months:

September 2005  
Hull, Wednesday 14<sup>th</sup> September 2005, Holiday Inn, Hull Marina  
York, Thursday 15<sup>th</sup> September 2005, Novotel York

November 2005  
Stirling, Tuesday 8<sup>th</sup> November 2005, Stirling Management Centre

Inverness, Thursday 10<sup>th</sup> November 2005, Drumossie Hotel  
With video conferencing broadcasts to:  
Pickaquoy Centre, Kirkwall, Orkney  
Town Hall, Lerwick, Shetland  
Council Chamber, Stornoway, Isle of Lewis

February 2006  
Cardiff *tbc*  
Aberystwyth *tbc*

In each location, there will be two identical meetings, the first from 2-4pm and the second from 6-8pm.

If you would like to reserve a place at any of the above events, please email [events@hpc-uk.org](mailto:events@hpc-uk.org) or call 0207 840 9788

Please see the website for more details

<http://www.hpc-uk.org/mediaandevents/events/listening/>

## **The Council**

### **Recruitment**

After the Second transitional period (this July), registrant and alternate members will be elected by the registrants from their own profession and the President will be elected by Council members. The Health Professions Order, 2001 states that a member may not serve more than three consecutive terms in a row.

Lay members are appointed by the Privy Council and may be reappointed. However, they have no automatic right to be reappointed. The Privy Council can appoint any additional or replacement lay members after advertising in the national press and by following guidance from the Office of the Commissioner for Public Appointments.

### **Terms of Office**

The term of office for Council members is usually four years. However, the term of office for the period following the first elections will be of a length to be specified by the Privy Council. The Privy Council has made its decision as follows:-

#### **Registrant Council Members**

Election in 2005 to hold office until 2006 (one year)  
Physiotherapists, occupational therapists, radiographers

Election in 2005 to hold office until 2007 (two years)  
Biomedical scientists, paramedics, chiropodists and podiatrists

Election in 2005 to hold office until 2008 (three years)  
Speech and language therapists, operating department practitioners and dietitians

Election in 2005 to hold office until 2009 (four years)  
Clinical scientists, arts therapists, orthoptists, prosthetists and orthotists

#### **Alternate Council Members**

The term of office of alternate Council members will be four years.

Thereafter the term of office of all Council members will be four years.

## Council Member Biographies

### **Norma Brook** President of the Council

Norma Brook was appointed as our President in May 2001. She is a qualified physiotherapist and is currently a self-employed consultant in physiotherapy, other professions allied to medicine and multiprofessional education. She was previously Head of Division of Professions Allied to Medicine in the School of Health and Social Care at Sheffield Hallam University. Her experience in physiotherapy education has been utilised in her role as a Quality Assurance Agency (QAA) assessor and she has taken a consultative role in Benchmarking for Physiotherapy and multiprofessional education. She is currently Physiotherapy education advisor to the Royal College of Surgeons in Ireland and an external examiner in Physiotherapy at the University of Coventry. She was previously Chair of the Physiotherapists Board and a member Council of the Council for Professions Supplementary to Medicine (CPSM). She was awarded a Fellowship of the Chartered Society of Physiotherapy in 1995 for her contribution to the development of Physiotherapy education and her expertise in connective tissue manipulation. Recently she was awarded three honorary degrees, Doctor of Education by Robert Gordon University and Doctor of Science by the University of East Anglia and Doctor of University by Sheffield Hallam University.

### **Colin Lea** Lay Member & Vice-President of the HPC

Colin Lea is a self-employed business and healthcare consultant and a company Chairman/Director. A former Chairman and Vice-Chairman of West Glamorgan Family Health and District Health Authorities respectively, he also chairs Independent Review Panels for the NHS and Social Services complaints. He sits on the Lord Chancellor's Appeals Service (Disability Living Allowance Appeals) and The Consumer Council for Postal Services (Postwatch Wales). He is the independent Chairman of the Code of Conduct Panel for the Royal Pharmaceutical Society of Great Britain. He is a Magistrate and has long and extensive public service in health, social services, education, housing, consumer and judicial organisations.

## Lay Members

### **John Camp**

John Camp is a barrister. He gave up his legal practice to become an Anglican priest and served for 13 years as a psychiatric hospital chaplain. He has a qualification in forensic psychotherapy. He has held part-time judicial appointments since 1983 and is currently an immigration judge. He is a non-executive director of Northamptonshire Healthcare NHS Trust, having earlier chaired Wycombe Health Authority and been a member of the Oxford Regional Health Authority and the Mental Health Act Commission. He has taught clinical ethics and is an honorary member of the British Medical Acupuncture Society.

### **Shaheen Chaudhry**

Shaheen is a freelance Diversity and Equality consultant. She has worked in the Voluntary, Private and the Public Sector for over 20 years. Her focus of work has been to raise awareness of the needs of the Black and Ethnic Minority communities using the health services and to provide training to service providers to enable them to provide an effective and equal service for all. Since 1992, she has been a Bristol Magistrate and has been actively involved with the Race Equality Council. She is former Non-Executive Director of North Bristol NHS Trust (1996-2004), and has been actively involved in local Organisations in her capacity as a Chair. At present, she is a Council member of the General Optical Council, a lay member of the Healthcare Commission and an associate member of the General Medical Council.

### **Mary Clark-Glass**

Mary Clark-Glass was formerly a lecturer in law and a broadcaster in Belfast; she has been involved in equality/human rights issues since the 1970's. Head of the Equal Opportunities

Commission for Northern Ireland 1984-92, a Human Rights Commissioner 1990-1994, former member of the probation board for Northern Ireland, she also served as a Commissioner on the Commission for Racial Equality for N. Ireland. Mary is currently a GMC associate, a member of the GDC's Fitness to Practice Committee and a non-executive director of the Royal Group of Hospitals, Belfast. Mary has been involved with Victim Support since the 1980's and an elected National Trustee since 1998.

### **Robert Clegg**

Robert Clegg was previously employed as the Chief Executive of Rochdale Healthcare NHS Trust. He is Vice-Chair of the Board of Directors and former Secretary at Springhill Hospice. He is actively involved in the local community in Rochdale and is a member of the local authority Council, representing Wardle and West Littleborough. Robert is a member of the board of Hopwood Hall College (local tertiary college) and an active Rotarian.

### **Christine Farrell**

Christine Farrell is an academic adviser to the Department of Health Policy Research Division. She has worked in research and service development, most lately at the King's Fund in London, and also as an advisor to the Secretary of State for Education. She has worked in a voluntary role in the NHS since 1974 and was a trustee and chair of a national charity providing health services from 1979 to 1995. For the past 10 years her work has focused on involving patients and the public in the NHS, and patient and professional views about cancer services.

### **John Harper**

John Harper is Vice-Principal at The Robert Gordon University, Aberdeen, with specific responsibility for Academic Quality Assurance and Enhancement, and former Dean of the Faculty of Health and Social Care. He is also a former member of the Scottish Executive NHS Modernisation Forum and of the CPSM.

### **Tony Hazell**

Tony Hazell began his professional career as a Probation Officer in Nottingham. He then spent almost 30 years in higher education completing his academic career as Assistant Principal, University of Wales Institute, Cardiff. Since June 2001 he has been Chair of the Velindre NHS Trust. The Trust is based in Cardiff but provides a range of specialist services across the whole of Wales.

### **Ros Levenson**

Ros Levenson is an independent policy consultant and researcher. She has worked on a range of health and social care issues for the King's Fund and a number of statutory and voluntary organisations and has published widely. Her particular interests are health inequalities and patient and public involvement. Ros's early career was in social work and social services training. Her interest in health service issues developed during 10 years as a community health council member and she later became Director of the Greater London Association of Community Health Councils - a post she held for 5 years. Ros is a non-executive director of an NHS Trust.

### **Jeffery Lucas**

Jeff Lucas is Deputy Vice-Chancellor at the University of Bradford and previously the inaugural Dean of the School of Health Studies. He is a health service researcher and has evaluated a health action zone, how effective interprofessional education is in the health professions curriculum and the QAA Major Review process for NHS funded provision. Jeff has served on Cabinet Office committees for Health and Social Care, the NHS Executive Equal Opportunities Committee, is a non Executive Director of a Strategic Health Authority and he co-edits the International Journal of Clinical Governance.

### **Keith Ross**

Keith Ross is a self-employed personnel and management consultant. He concentrates on human resources assignments and management roles mainly in the public sector – specifically in the health and education fields. Before becoming self-employed, Keith had a 20-year career in human resources roles in the Scottish Health Service and most recently was Director of Personnel for a Scottish Health Board and an acute NHS Trust. Keith is a 'Fitness to Practise' panel member of the Nursing and Midwifery Council. He is Deputy Chairman of our Conduct and Competence Committee and a member of the Finance and Resources Committee.

### **Jacqueline Stark**

Jackie Stark is currently Director of Calderdale Shopmobility and Disability Minibus Association, Community Transport Calderdale and has been actively involved in the voluntary sector, both in a development and management role, for 25 years. She is a former chair of the Community Healthcare NHS Trust. She chairs the Single Regeneration Budget Board for Halifax and chairs various voluntary organisations, is the founder and former Trustee of the Talking Newspaper Association and Calderdale Community Foundation. She is a former lay member of CPSM.

### **Barbara Stuart**

Barbara Stuart works as a Business Careers Advisor for the Western Education and Library Board in Northern Ireland. She has previously worked in the private sector but more recently in the voluntary sector as Director of Operations of Lakeland Community Care Ltd. She is a Lay Magistrate in the Youth and Family Courts in Northern Ireland and has worked as a Lay Assessor with the Social Services Inspectorate of the DHPSS. A former carer, she is a member of the Management Committee of the local Alzheimer's Society and a helper with the Riding for Disabled Association.

## **Registrant Members**

### **Mary Crawford** Occupational therapist

Mary Crawford works independently – most of her work relates to mental health and therapy services. She has recently worked as a Director of Therapies, Rehabilitation and Learning Disabilities for a primary care trust. She is a member of the Department of Health Change Agent Team Expert groups and a reviewer for the Commission of Health Improvement (CHI). Mary is Chair of Turnstone Support, a not-for-profit provider of care services for people with learning disabilities and for vulnerable older people. She is also a board member of Parkside Housing Group. Mary is Chairman of our Health Committee.

### **Robert Jones** Physiotherapist

Robert Jones is Head of Therapy Services, East Sussex Hospitals NHS Trust and an honorary fellow of the University of Brighton and fellow of the Chartered Society of Physiotherapy. In 2001 he completed a secondment to Commission for Health Improvement (CHI) as Allied Health Professions Advisor and is a Healthcare Commission Reviewer. He is also a member of the Ways of Working Project Board of the NHS Information Authority, a member of the Health, Disability and Registration Professional Liaison Group and Governor of Moorfields Eye Hospital and. He is a former Chairman of the Chartered Society of Physiotherapy and recently completed his term as Vice-President. Robert was a member of the University of Brighton Professional Doctorate Programme Board and he occasionally lectures at the university. He is a former member of the Physiotherapists Board at CPSM. He is a Modernisation Agency Associate and has lectured widely on service improvement and modernisation in the Allied Health Professions and was a participant in the NHS Clinical Strategists Programme which took place at INSEAD, France in 2003/2004 with whom he is still working on the development of teaching cases.

**Morag MacKellar** Dietitian

Morag MacKellar is Head of Nutrition and Dietetics, Forth Valley Primary Care NHS Trust, and Public Health Nutritionist for NHS Forth Valley. She is also a member of the Community Planning Partnership Health Functional Group, Stirling Council, and Chair of the national multi-agency steering group Scottish Nutrition and Diet Resource Initiative. Morag contributes to a number of departmental and policy groups for the Scottish Executive and is a member of the recently formed Scottish Food and Health Council. She is a former Chairman of the Dietitians Board at CPSM and previously Chair of the British Dietetic Association and has been elected a Fellow of the BDA in recognition of her work.

**Joanna Manning** Paramedic

Jo Manning is Assistant Chief Ambulance Officer with West Country Ambulance Service NHS Trust. She is a member of the Chartered Institute of Personnel and Development (CIPD). She has specialised in managing human resources and is a member of our Conduct and Competence Committee as well as chairing the Communications Committee. Jo has 20 years' experience working in ambulance services nationally.

**Clare McGartland** Orthoptist

Clare McGartland has worked as an orthoptist for over 25 years. She is currently working as the Allied Health Professions Commissioner and Advisor to the Western Health and Social Services Board in Northern Ireland. Clare was an area orthoptist and had responsibility for acute and community orthoptics throughout the Western Health and Social Services Board. Clare is a former member of the Orthoptists Board at CPSM and was also a member of the Education Committee. She is now a member of our Health Committee and Communications Committee.

**William Munro** Prosthetist & Orthotist

Willie Munro is Orthotic Director of Munro Bolton, Orthotics Ltd, a practice which supplies orthoses to hospitals in Scotland. He was a founding member of the British Association of Prosthetists and Orthotists and is Clinical Associate at the National Centre for Training & Education in Prosthetics and Orthotics at the University of Strathclyde. Willie is involved in community work in Glasgow and he is the former Vice-Chairman of the Prosthetists and Orthotists Board at CPSM.

**John Old** Clinical scientist

John Old is head of the National Haemoglobinopathy Reference Laboratory, Churchill Hospital, Oxford, and is a Reader in Haematology at the University of Oxford. He is a member of the Board of Directors of Clinical Pathology Accreditation (UK) Ltd, a member of the Special Scientific Advisory Group for the UK NEQAS Steering Committee for General Haematology and a member of the Laboratory Subgroup Committee of the NHS Sickle Cell & Thalassaemia Screening Programme. He is a former Chairman of the Clinical Scientists Board at CPSM and a former Council member of the Royal College of Pathologists. He has a longstanding scientific interest in the thalassaemias and has published more than 100 peer-reviewed papers on this subject.

**Pamela Sabine** Podiatrist/chiroprapist

Pam Sabine is head of Podiatry and Podiatric Surgery at the Castlepoint and Rochford Primary Care Trust, a Podiatric Surgeon and is past Chairman of the Society of Chiroprapists and Podiatrists. Pam is also a Chai Reveiwer. Pam is actively involved in professional groups and is a former member of the Chiroprapists Board at CPSM. She is a member of the South Essex diabetes strategy advisory group, diabetes leadership group, the trust clinical governance steering committee, and Executive committee.

**Anna Van Der Gaag** Speech & language therapist

Anna Van Der Gaag is a self employed consultant and Honorary Research Fellow in the Faculty of Medicine, University of Glasgow. She has been actively involved in research and development initiatives in speech and language therapy for more than two decades. Her

current research work includes user involvement in decision making, e-learning in post graduate education and improving communication between primary care practitioners and people with communication disabilities. Anna has been a member of various advisory groups for the Medical Research Council, Department of Health, Kings Fund and the Royal College of Speech and Language Therapists.

**Diane Waller** Arts therapist

Diane Waller is Professor of art psychotherapy at Goldsmiths College, University of London. She is Vice-President of the International Society for Expression and Art Therapy, a council member of the World Psychiatric Association's Section on Art and Psychiatry, Hon. President of the British Association of Art Therapists. Diane is a UKCP registered group analyst, and her research interests and several authored books are on the sociology of professions in UK and Europe, addiction and progressive illness. She has served on RAE Panel 11 and chaired the Arts Therapists Subject Benchmarking group for QAA. Formerly Chair of the Arts Therapists Board at CPSM, and of our Education and Training Committee.

**Neil Willis** Biomedical scientist

Neil Willis is currently the Acute Medical Biochemistry Services Manager at the University Hospital of Wales, Cardiff. Neil has close links with the University of Wales Institute, Cardiff and has lectured at home and abroad. He is Chairman of the Cardiff Medical Centre Sports and Social Club, and is a founder member of the Cardiff Medical Centre Sports and Social Club Children's Charity. Neil is Chairman of the Professional Liaison Group for Biomedical Scientists, and Chairman of our Investigating Committee. He is a former MLT Board member at CPSM.

**Stephen Wordsworth** Operating department practitioner

Stephen Wordsworth is a senior lecturer in the Faculty of Health and Community Studies at the University of Central England. He has been a qualified operating department practitioner for 15 years and has been heavily involved in a range of curriculum development initiatives for much of that time. Whilst as a professional body council member for the Association of Operating Department Practitioners (AODP) he has acted as the Deputy Director of Education and chair of the curriculum review development group. Stephen has also acted as a specialist ODP advisor for a number of HE institutions and as recently completed QAA training for Major Review of Healthcare Programmes.

**Alexander Yule** Radiographer

Sandy Yule is Secretary General of the International Society of Radiographers and Radiological Technologists which is a non Governmental Organisation. Sandy is a member of the Disciplinary Board for the British Psychological Society and a Justice of the Peace in Cardiff. He attends as an observer at the Council of the Society and College of Radiographers of the United Kingdom and also attends the annual Assembly of the World Health Organisation held in Geneva.

**Alternate Members**

**Michael Barham** Arts therapist

Michael Barham is Dean of Human and Life Sciences at Roehampton University. He was the joint winner of a South West London NHS Excellence Award (2003), for his promotion of positive mental health. He is a former Chair of the British Association of Dramatherapists and Vice-Chair of the Arts Therapists Board at CPSM. He is a member of the Finance and Resources and Investigating Sub-Committees and a member of the Audit Committee. His current research interests include professional issues and processes linked to the arts therapies and other psychotherapies, dramatherapy and theatre processes, and ethical and methodological issues in practice and research.

**Graham Beastall** Clinical scientist

Graham Beastall is Consultant Clinical Scientist in the Department of Clinical Biochemistry in the North Glasgow University Hospitals NHS Trust. He has a longstanding scientific interest in biochemical endocrinology and has published more than 150 peer-reviewed papers. Graham is a former member of the Clinical Scientist Board at CPSM and is currently Vice-President of the Royal College of Pathologists and Chair of their Standing Committee for Clinical Science. He is a former Chairman of the Association of Clinical Biochemists and Chairman of the UK NEQAS Steering Committee for Clinical Chemistry.

**Helen Davis** Orthoptist

Helen Davis is a Senior Lecturer in Orthoptics at the University of Sheffield, and has an honorary contract with the Sheffield Teaching Hospitals Trust. She is a former Chairman of the Orthoptists Board at CPSM.

**Paul Frowen** Chiropodist/podiatrist

Paul Frowen is Senior Lecturer, Head of The Wales Centre for Podiatric Studies School of Health and Social Sciences at University of Wales Institute, Cardiff. He is a former Vice-Chairman of the Chiropodists Board at CPSM, and is Joint Chair of the Chiropodists Pre-registration Education and Training Working Group. He was a member of the QAA Subject Benchmarking Group for Podiatry and a QAA Subject Specialist Reviewer.

**Rosemary Klem** Radiographer

Rosemary Klem is currently Professor of Radiography and Head of the School of Radiography (Diagnostic & Radiotherapy), Faculty of Health and Community Care, University of Central England in Birmingham. She is a former Vice-Chairman of the Radiographers Board at CPSM and former Chair of the Joint Validation Committee of the College of Radiographers and Radiographers Board. Rosemary is currently Chairman of our Registration Committee.

**Carol Lloyd** Occupational therapist

Carol Lloyd was Subject Manager for Occupational Therapy and Programme Leader at the School of Education, Health and Sciences at the University of Derby until September 2004. She is an external examiner at Brunel University and Canterbury Christchurch University College. She is a QAA Reviewer for Major Review and is also involved in Programme Approvals. Carol has also recently been awarded an Emeritus Professorship.

**Ian Massey** Prosthetist & Orthotist

Ian Massey is currently employed by Chas A. Blatchford & Son Ltd, and is Prosthetic Manager for their service centre at Cardiff. He started in the profession in 1975, qualifying as a Prosthetist in 1982. He has worked mainly in Cardiff centre. He is a former member for the Prosthetist and Orthotist Board at CPSM.

**Alan Mount** Operating department practitioner

Alan is Professional Lead / Senior Lecturer in ODP Studies, based within the Faculty of Health at Canterbury Christ Church University College. Alan has a long history within the peri-operative field, both as a practitioner and as an educator. He was appointed in February 2002 to the Association of Operating Department Practitioners (AODP) Board. He has also been involved with the development of the new standards of proficiency, scope of practice and subject benchmarks for ODP in accordance with the transfer to the HPC. More recently he was awarded the Association of Operating Department Practitioners Fellowship for outstanding service to the ODP profession.

**Jacqueline Pearce** Speech & language therapist

Jacki Pearce is a Speech and Language Therapy Manager in Hertfordshire and has previously been an area manager, organising many other professional groups on a day-to-day basis. She was a magistrate for 15 years, also in Hertfordshire, with a particular interest

in family court matters, and has taken time out to complete a Masters in Health Law. She has represented speech and language therapy managers from the eastern region on the Management Board of the Royal College of Speech and Language Therapy. In East and North Herts, Jacki has a particular interest in encouraging SLTs to return to practice and in setting up support systems to enable them to gain confidence and the necessary competencies.

**Gillian Pearson** Dietitian

Gillian Pearson currently works as a return to practice coordinator at the University of Surrey, and has experience of working in the NHS and higher education, teaching on both undergraduate and postgraduate courses. She has been a dietetic manager of both community and acute hospital dietetic departments. Gillian is a former member of the Dietitians Board at CPSM, chairing the Education and Training Committee of the Board.

**Gordon Sutehall** Biomedical scientist

Gordon Sutehall is Principal Virologist at the Clinical Microbiology (Health Protection Agency) Laboratory, Addenbrooke's Hospital, Cambridge, where he has worked since 1978. He has worked in clinical virology for more than 30 years, and has been involved in teaching this subject to students at various universities and colleges for most of that time. He is the President-Elect of the Institute of Biomedical Science, having previously developed a leading role in continuing professional development (CPD) for the Institute. Gordon is currently a member of the Government's Advisory Committee on Dangerous Pathogens.

**Eileen Thornton** Physiotherapist

Eileen Thornton is the Head of the School of Health Sciences at the University of Liverpool. She has been in physiotherapy education for a number of years. She has been involved with the Chartered Society of Physiotherapy, serving on and chairing many committees relating to pre-registration and post-registration education activities and registration and professional conduct functions.

**David Whitmore** Paramedic

David Whitmore works at the London Ambulance Service NHS Trust, he has been working in the ambulance service for nearly 25 years. He is currently the Senior Clinical Advisor to the Medical Director LAS. David was a member of the paramedics board for the Council of Professions Supplementary to Medicine before being appointed as a Partner with the Health Professions Council. David's other achievements include assisting in the development of the first full and part time BSc (Hons) degree courses to incorporate both an academic award and the national paramedic award. David has assisted in several large scale operations (including Princess Diana's funeral) and has experienced a high number of major incidents including 9 terrorist bombings.

### Council and Committee Dates 31<sup>st</sup> March 2004 – 31<sup>st</sup> March 2005

Date	Committee
Thursday 15 <sup>th</sup> April 2004	Investigating Committee
Wednesday 21 <sup>st</sup> April 2004	Health Committee
Tuesday 27 <sup>th</sup> April 2004	Conduct and Competence
Wednesday 28 <sup>th</sup> April 2004	Education and Training
Thursday 29 <sup>th</sup> April 2004	Finance and Resources
Thursday 13 <sup>th</sup> May 2004	Council Meeting
Friday 14 <sup>th</sup> May 2004	Registration Committee
Tuesday 22 <sup>nd</sup> June 2004	Conduct and Competence
Wednesday 23 <sup>rd</sup> June 2004	Education and Training
Thursday 24 <sup>th</sup> June 2004	Finance and Resources & Audit
Wednesday 30 <sup>th</sup> June 2004	Health
Monday 5 <sup>th</sup> July 2004	Communications
Thursday 15 <sup>th</sup> July 2004	Council Meeting
Tuesday 20 <sup>th</sup> July 2004	Registration
Tuesday 27 <sup>th</sup> July 2004	Finance and Resources
Wednesday 1 <sup>st</sup> September 2004	Education and Training
Monday 13 <sup>th</sup> September 2004	Registration
Tuesday 14 <sup>th</sup> September 2004	Council Meeting
Tuesday 21 <sup>st</sup> September 2004	Finance and Resources
Wednesday 22 <sup>nd</sup> September 2004	Health
Thursday 23 <sup>rd</sup> September 2004	Investigating
Wednesday 6 <sup>th</sup> October 2004	Council Meeting
Tuesday 12 <sup>th</sup> October 2004	Conduct and Competence
Wednesday 13 <sup>th</sup> October 2004	Education and Training
Thursday 28 October 2004	Communications
Thursday 4 <sup>th</sup> November 2004	Registration
Thursday 11 <sup>th</sup> November 2004	Investigating
Tuesday 16 November 2004	Conduct and Competence
Tuesday 23 <sup>rd</sup> November 2004	Finance and Resources & Audit
Wednesday 24 <sup>th</sup> November 2004	Education and Training
Tuesday 7 <sup>th</sup> December 2004	Council Meeting
Thursday 16 December 2004	Health
Tuesday 18 January 2005	Registration
Wednesday 9 <sup>th</sup> February 2005	Health
Thursday 10 <sup>th</sup> February 2005	Investigating
Friday 11 <sup>th</sup> February 2005	Finance and Resources
Tuesday 15 <sup>th</sup> February 2005	Conduct and Competence
Wednesday 16 <sup>th</sup> February 2005	Education and Training
Monday 28 February 2005	Communications
Wednesday 2 <sup>nd</sup> March 2005	Council Meeting

Wednesday 23 <sup>rd</sup> March 2005	Finance and Resources & Audit
Wednesday 30 <sup>th</sup> March 2005	Education and Training

### Council meeting attendance

Members	May 2004	July 2004	September 2004	October 2004*	December 2004	February 2005*	2 March 2005	29 March 2005
Norma Brook	X	√	√	√	X	√	√	√
John Camp	√	√	√	√	√	√	√	X
Shaheen Chaudhry	√(part)	√	X	√	√	√	√	X
Mary Clark-Glass						√		X
Robert Clegg	√	X	√	√	√	√(part)	√	√
Mary Crawford	√	X	X	X	√	X	√	X
Carol Lloyd (A)			√	X		√		
Christine Farrell	√	√	√	√	X	√	√	√
John Harper	√	√	√(part)	√	X		X	
Tony Hazell	√	√	√	√	√	√	√	√
Robert Jones	X	X	√	X	√	√	√	X
Eileen Thornton (A)	√	√		X				X
Colin Lea	√	X	√	√	√	√	√	X
Ros Levenson	√	√	√	√	√	√	√	X
Jeffrey Lucas	X	X	√	X	X	√	√	√
Morag MacKellar	√	√	X	√	√	√	√	√
Gillian Pearson (A)			√	X				
Joanna Manning	√	√	X	X	X	X	X	X
David Whitmore (A)			√	X	√	√	√	√
Clare McGartland	X	X	√	X	X	√	√	
Helen Davis (A)	√			X	X	√		√
William Munro	X	√	√	√	√	√	√	√
Ian Massey (A)				X		√		
John Old	√	√	√	√	√	√	√	√

Graham Beastall (A)				√		√		X
Keith Ross	√	X	√	√	X	X	√	√
Pam Sabine	X	√	X	√	X	√	√	√
Paul Frowen (A)	√				√	√	√	√
Jacqueline Stark	√	X	X	X	X	X	X	X
Barbara Stuart	√	√	√	√	√	√	√	√
Anna Van Der Gaag	X	X	√	√	√	√	√	X
Jacqueline Pearce (A)				√				X
Diane Waller	√	√	X	√	√	√	X	X
Michael Barham (A)						√	X	
Neil Willis	√	√	√	√	√	√	√	√
Gordon Sutehall (A)				√		√		
Stephen Wordsworth						√		√
Alan Mount (A)						√		
Sandy Yule	√	√	√	√	√	X	√	√
Rosemary Klem (A)				√				√

√ Attended

x Apologies received for absence

(A) Alternate member

\* October meeting all members invited to attend

\* February meeting all members invited to attend

David Whitmore (A): appointed August 2004

Mary Clark-Glass: appointed December 2004

Stephen Wordsworth: appointed December 2004

Alan Mount (A) : appointed December 2004

## Committee meeting attendance

### Approvals Committee Attendance

Member	May 2004	June 2004	July 2004	September 2004	November 2004	February 2005
John Harper	√	√	√	X	√	√
Norma Brook	√	X	X	√	√	√(part)
Shaheen Chaudhry	√	√	√	√		√
Paul Frowen	√	√	X	√	X	√
Tony Hazell	√	√	√	X	X	√
Carol Lloyd	√	√	X	√	√	√
Gill Pearson	√	√	√	√	√	√
Pam Sabine	√	X	√	√	√	√
Barbara Stuart	√	√(part)	√	√	√	√
Eileen Thornton	√	√	√	√	X	X
Diane Waller	√	X	√	√	√	X
David Whitmore					√	√

√ Attended

X Apologies for absence received

David Whitmore: from August 2004

### Audit Committee attendance

Member	24th June 2004	23rd November 2004	23rd March 2005
Michael Barham	√	√	√
Daniel Ross	√	√	√
Jackie Stark	√	X	X
Sandy Yule	X	√	√

√ Attended

X Apologies for absence received

0 Not on Committee

### Communications Committee attendance

Member	5 <sup>th</sup> July 2004	28 <sup>th</sup> October 2004 <i>Cancelled</i>	28 <sup>th</sup> February 2005	4 <sup>th</sup> May 2005 (for 2004 / 5)
Jo Manning	√		X	X
Jackie Stark	X		X	X
John Camp	√		√	X
Shaheen Chaudhry	X		√	√
Ros Levenson	√		√	√
Morag MacKellar	√		X	√
Clare McGartland	√		X	√

√ Attended

X Apologies for absence received

0 Not on Committee

### Conduct and Competence Committee attendance

Members	April 2004	June 2004	October 2004	November 2004	February 2005
Sandy Yule	√	X	√	√	√
Graham Beastall	X	√(part)	X	X	
Mary Clark-Glass					X
Robert Clegg	√	X	X	√	√
Helen Davis	√	√	√	X	√
Rob Jones	√	X	X	√	
Carol Lloyd	X	√	√	√	√
Jo Manning	X	√	X	X	X
Keith Ross	√	√	√	√	√
Pam Sabine	√	X	X	X	√
Dr Gopal Sharma					X
Barbara Stuart	X	√	X	X	√
Gordon Sutehall	√	√(part)	√	√	√

√ Attended

x Apologies for absence received

Graham Beastall: until January 2005

Rob Jones: until January 2005

Mary Clark-Glass: from December 2004

Dr Gopal Sharma Registered Medical Professional: from January 2005

### Education and Training Committee Attendance

Members	April 2004	June 2004	July 2004	September 2004	October 2004	November 2004	February 2005	March 2005
Eileen Thornton	√	√	√	√	√	√	X	√
Graham Beastall		√	X	√	X	√	X	X
Shaheen Chaudhry	√	√	√	√	√	√	√	X
Helen Davis	√	√	X	√	√	√	√	√
Christine Farrell	√	X	√	√	√	√	X	√
Paul Frowen	√	√	√	√	√	√	√	√
John Harper	√	X	√	√	√	X	X	√
Tony Hazell	√	X	√	√	√	√	√	√
Raman Kapur	X	√		X	X	X	√	X
Rosemary Klem	√	√	X	√(part)	√	√	√	√
Carol Lloyd	√	√	X	√	√	√	√	X
Jeff Lucas	X	√	X	√	√	X	X	X
Ian Massey	X	X	X	X	X	√	√	X
Gill Pearson	X	X	√	√	√	√	X	√
Gordon Sutehall	√	√	√	√	√	√	√	√
Anna Van Der Gaag	√	√	X	√	√	√	√	√
Diane Waller	X	X	√	√	√	X	√	√
David Whitmore				√	√	√	√	√
Stephen Wordsworth							√	X

√ Attended

x Apologies for absence received

Stephen Wordsworth: from December 2004.

David Whitmore: from August 2004

### Finance and Resources Committee attendance

Member	29th April 2004	24th June 2004	27 July 2004	21 Septembe r 2004	23 November 2004	11 February 2005	23 March 2005
Michael Barham	√	√	√	X	X	√	√
Norma Brook	√	X	√	√	√	X	√
Robert Clegg	√	X	X	X	√	X	√
John Harper	X	X	X	X	√	X	√
Colin Lea	√	√	√	√	√	√	√
William Munro	X	X	X	X	√	X	X
Daniel Ross	√	X	√	√	√	√	√
Keith Ross	√	√	X	√	X	√	√
Jackie Stark	X	√	X	X	X	X	X
Barbara Stuart	√	√	√	√	X	√	√
Neil Willis	√	√	√	√	√	√	X
Sandy Yule	√	X	√	√	√	√	√

√ Attended

x Apologies for absence received

### Health Committee attendance

Members	April 2004	June 2004 (meeting cancelled)	September 2004	December 2004	February 2005
Mary Crawford	√		√	√	X
John Camp	√		√	X	√
Tony Hazell	√		√	√	X
Dr Christine Kenny					√
Ros Levenson	√		√	X	√
Clare McGartland	X		√	X	X
John Old	√		√	X	√
Jackie Stark	√		X	X	X
Diane Waller	X		√	X	√
Anna Van Der Gaag	√		√	√	√

√ Attended

x Apologies received for absence

Dr Christine Kenny Registered Medical Professional: from January 2005

### Investigating Committee attendance

Members	April 2004	June 2004 (meeting cancelled)	September 2004	November 2004	February 2005
Neil Willis	√		√	√	√
Michael Barham	√		√	X	√
Dr Nigel Callaghan					√
Shaheen Chaudhry					
Christine Farrell	√		√	X	X
Paul Frowen	√		√	√	√
Colin Lea	√		√	X	√
Jeff Lucas					
Morag MacKellar	√(part)		√	√	√
William Munro	X		X	√	X
Jacki Pearce	√		√	√	X
Gill Pearson	X		X	√	
David Whitmore			√	√	

√ Attended

x Apologies for absence received

Gill Pearson: until December 2004

David Whitmore: until December 2004

Shaheen Chaudhry: from March 2005

Jeff Lucas: from March 2005

Dr Nigel Callaghan Registered Medical Professional: from January 2005

### Registration Committee attendance

Member	March 2004	May 2004	July 2004	September 2004	November 2004	January 2005
Rosemary Klem	√	√	√	X	√	√(part)
Shaheen Chaudhry			√	X	√	√
Mary Crawford	X	√	X	X	√(part)	√
Paul Frowen	√	X	X	√	√	√
Robert Jones	X	X	X	√	X	X
Ian Massey		X	X	X	X	X
Alan Mount						X
Pam Sabine	√	√	√	√	X	√
Gordon Sutehall	√	√	√	√	√	√
Eileen Thornton	X	X	√	X	X	X
Anna Van Der Gaag	√	X	X	√	X	√

√ Attended

X Apologies for absence received

Alan Mount: from December 2004

## The five principles of good regulation

### **Proportionality**

Regulators should only intervene when necessary. Remedies should be appropriate to the risks posed, and costs identified and minimised.

### **Accountability**

Regulators must be able to justify decisions, and be subject to public scrutiny.

### **Consistency**

Government rules and standards must be joined up and implemented fairly.

### **Transparency**

Regulators should be open, and keep regulations simple and user friendly.

### **Targeting**

Regulation should be focused on the problem, and minimise side effects.

The Better Regulation Task Force is an independent body that advises Government on action to ensure that regulation and its enforcement agree with the five principles of good regulation. Their publication 'Principles of Good Regulation' was last revised in February 2003 and is available on their website at [www.bruf.gov.uk](http://www.bruf.gov.uk)

Government departments and independent regulators should use them when considering new proposals and evaluating existing regulations.

**1. Health Professions Council**

**REPORT AND FINANCIAL STATEMENTS**

Year ended 31 March 2005

## **Health Professions Council Advisers**

National Westminster Bank Plc  
Walworth Road Branch  
PO Box 3171  
290 Walworth Road  
London  
SE17 3RQ

### INVESTMENT ADVISORS

Carr Sheppards Crosthwaite Limited  
2 Gresham Street  
London  
EC2V 7QN

### CHIEF EXECUTIVE AND REGISTRAR

Marc J Seale  
Park House  
184 Kennington Park Road  
London  
SE11 4BU

### AUDITORS

Baker Tilly  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
London SW1W 9SP

### SOLICITORS

Kingsley Napley  
Knight's Quarter  
14 Sate John's Lane  
London  
EC1M 4AJ

Bircham Dyson Bell  
50 Broadway  
London  
SW1H 0BL

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## Foreword to the Financial Statements for the year ended 31 March 2005

The Council submits its third annual report together with the audited financial statements for the year ended 31 March 2005.

### Members during the year

All Council members served throughout the year, except as shown below:

Professor Norma Brook  
Mr Colin Lea

President  
Vice President

#### Registrant members:

Miss Mary Crawford  
Dr Robert Jones  
Miss Morag MacKellar

Ms Joanna Manning  
Mrs Clare McGartland  
Mr William Munro  
Dr John Old  
Miss Pam Sabine  
Dr Anna Van Der Gaag  
Professor Diane Waller  
Mr Neil Willis  
Dr Alexander Yule OBE  
Mr Stephen Wordsworth  
(appointed 16<sup>th</sup> December 2004)

#### Alternate members:

Mr Michael Barham  
Dr Graham Beastall  
Mr David Whitmore (appointed 23<sup>rd</sup>  
August 2004)  
Ms Helen Davis  
Mr Paul Frowen  
Professor Rosemary Klem  
Professor Carol Lloyd  
Mr Ian Massey  
Mrs Jacqueline Pearce  
Miss Gillian Pearson  
Mr Gordon Sutehall  
Miss Eileen Thornton  
  
Mr Alan Mount (appointed 16<sup>th</sup>  
December 2004)

#### Lay members

Mr John Camp  
Mrs Shaheen Chaudry  
Mr Robert Clegg  
Ms Christine Farrell  
Mrs Mary Clark-Glass (appointed 16<sup>th</sup> December 2004)  
Professor John Harper  
Professor Anthony Hazell  
Ms Ros Levenson  
Professor Jeff Lucas  
Mr Keith Ross  
Mrs Jackie Stark  
Mrs Barbara Stuart

#### PRINCIPAL OFFICE

Health Professions Council  
Park House  
184 Kennington Park Road  
London SE11 4BU

A Register of Interests in respect of all Council members is maintained. Access is available on the Council's internet site.

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## **Method of appointment or election of Council members:**

The Council currently comprises 40 members (the President and 13 other practitioner members, 12 lay members and 13 alternate members) appointed by the Privy Council in accordance with the transitional provisions in Schedule 2 to the Health Professions Order 2001. As of May 2005, the Council consists of 13 registrant members who are appointed on being elected under the Council's election scheme, 13 lay members who are appointed by the Privy Council and 13 alternate members appointed on being elected under the Council's election scheme. The numbers of registrant and alternate members (i.e. 13) is linked to the number of professions currently regulated by the Council. There is an alternate member for every registrant member, alternate members having the same functions as registrant members but are only able to vote if registrant members are not present. There must be at least one lay and registrant member for each home country within the United Kingdom.

## **The objectives of the Council**

The Council, a body corporate, was set up on 1 April 2002 by the Health Professions Order 2001. The principal functions of the Council are to establish from time to time standards of education, training, conduct and performance for members of the relevant health professions and to ensure the maintenance of those standards. As part of its functions the Council maintains the register of members of the relevant health professions and its main objective in the exercise of its functions is to safeguard the health and well-being of persons using or needing the services of registrants.

## **Organisational structure**

Four statutory committees exist to deal with the fitness to practise of professionals registered with the Council, investigating complaints and the establishment and monitoring of training and education standards: Education and Training Committee, Investigating Committee, Conduct and Competence Committee and Health Committee. In addition, five non-statutory committees have been set up: the Finance and Resources Committee (to which an Audit and a Remuneration Committee report), the Registration Committee and the Communications Committee. All committees are chaired by a member of the Council.

The Council has the following departments under a Chief Executive and Registrar: Communications, Education and Policy, Finance, Fitness to Practise, Human Resources, Information/IT, Office Services, Registration (International and Grandparenting), Registration (UK) and Secretariat.

## **The Professions Supplementary to Medicine Charitable Trust**

The Professions Supplementary to Medicine Charitable Trust existed as a subsidiary to the Health Professions Council and income was distributed to the Charity under covenant to enable the charity to support its objectives. The charity ceased to operate on the 31 December 2004. The results for the year of the charity were £nil (2004: £100). The results of the charity and a list of its objectives are published in full in their financial statements. Copies of the full financial statements can be obtained by writing to the Principal Office of the Health Professions Council.

## **Form of financial statements**

In accordance with Section 46(1)(b) of the Health Professions Order 2001, the Financial Statements have been prepared in a form directed by the Privy Council in its Accounts Direction, which complies with the HM Treasury Guidance on the preparation of accounts for non-Departmental Public Bodies, as if the Council was a non-Departmental Public Body (NDPB) of the Department of Health.

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## **Financial results**

There was an operational deficit of income over expenditure of £56,031 (2004 £597,201) for the year, which is set out in these financial statements. Total recognised losses for the year totalled £56,031 (2004 £564,455). At 31 March 2005 reserves had reduced to £743,706 (2004 £1,050,853).

By 4 August 2004, all professions were paying an increased fee of £60 per annum, which had been progressively phased in from September 2003 (previously £22). The profession of Operating Departmental Practitioners was added to the register in December 2004 and generated income of £160,490. Investment income, including gains or losses on sale of investments, totalled £127,438 (2004 £62,505).

No grants were received from the Department of Health in the year. £251,116 was withdrawn from the capital grant reserve of £606,866 to fund the depreciation of the new computerised registration system, leaving a balance of £355,750.

The balance sheet of the organisation shows fixed assets totalling £3,959,464 (2004 £4,388,822). Of this tangible fixed assets continue to be largely the freehold land and buildings and the computerised registration system. The investment portfolio is managed by stockbrokers and was worth £1,346,804 (2004 £1,203,107) at 31 March 2005. Cash at bank and on deposit rose to £2,821,797 (2004 £2,407,980). There was deferred income of £4,860,348 (2004 £5,064,591), being registration and renewal fees received in advance.

An operational surplus is anticipated for the year ending 31 March 2006, which will increase the accumulated fund.

Since the year end the Council has acquired a new property in Stannery Street. Details of this transaction can be found in note 18 of these financial statements.

## **Identified Misappropriation of Funds**

In May 2005, the Council identified that £133,263 had been misappropriated as a result of the misuse of corporate credit cards within its finance branch. See note 4 for more detail and the impact on these financial statements.

As a result of this occurrence, the Council engaged a firm of forensic accountants to undertake an investigation of accounting practices that resulted in the irregularities and to undertake a review of related internal systems to assess their vulnerability to fraud. The Council are addressing the identified weaknesses in financial control. See Statement on Internal Control at pages 65 and 66.

## **Council and committee member expenses and fees**

Following a review of how the HPC reimburses Council and Committee member allowance fees and expenses, it was found that the Council would have an obligation to pay the associated PAYE and National Insurance on expenses and National Insurance contribution on Attendance allowance fees paid. On review of the expenses and fees paid in the last three years, it was noted that a total of £304,000 should have been paid as PAYE and Employer's National Insurance and hence has been provided for in the year.

## **Better payment practice code**

It is Council policy to observe the principles of the better payment practice code by settling all undisputed invoices within 30 days. By the end of the financial year this was being attained in most cases. No interest was paid during the year under the Late Payment of Commercial Debts (Interest) Act 1998.

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## **Disabled employees and equal opportunities**

The Council is an equal opportunities employer and provides employment opportunities and advancement of all suitably qualified persons regardless of age, sex, religion, ethnic origin, marital status, dependants, disability or political beliefs. The Council does not regard disablement as a bar to recruitment or advancement; selection is based upon the ability of the individual to do the job.

## **Employee involvement**

The Council places considerable reliance on the involvement of its employees. It makes every effort to ensure that all staff are kept informed of the Council's plans and developments. The main channels of communication include regular all-staff meetings, fortnightly meetings of the Executive Management Team and e-mail.

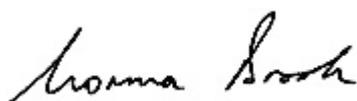
## **Health and safety**

The Council is committed to adhering to the Health and Safety at Work Act 1974 and other related UK and European requirements to ensure that employees and visitors enjoy the benefits of a safe environment.

### *(i) AUDITORS*

On 19 May 2005, BDO Stoy Hayward resigned as auditors. The Council appointed Baker Tilly as auditors. A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting. The Comptroller and Auditor General also examines, certifies and reports on the annual account as laid down in the Health Professions Order 2001.

By order of the Council



Professor Norma Brook  
**President**



Marc J Seale  
**Chief Executive**

30<sup>th</sup> March 2006

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## **Statement of Responsibilities to the Council and its Chief Executive in Respect of the Accounts**

The accounts are prepared in accordance with the Accounts Direction from the Privy Council which requires the accounts to be prepared in accordance with HM Treasury Guidance on the keeping and preparation of accounts for non-Departmental Public Bodies.

The Health Professions Order 2001 requires that annual accounts are prepared and audited. The Council and the Chief Executive (as Accounting Officer) are responsible for the preparation and the approval of accounts. In preparing those accounts they are required to:

- observe the application accounts direction issued by the Treasury;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Council will continue in business.

The Council and its Chief Executive are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Council and to enable them to ensure that the financial statements comply with the provision of the Health Professions Order 2001. They are also responsible for safeguarding the assets of the Council and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Accounting Officer for the Privy Council has appointed the Chief Executive as the Accounting Officer for the Council. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper accounting records, as set out in the non-Departmental Public Bodies' Accounting Officer Memorandum issued by the Treasury and published in Government Accounting.

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## Accounting Officer's Statement of Internal Control

### Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Council's policies, aims and objectives, whilst safeguarding the Council's assets for which I am personally responsible, in accordance with the responsibilities assigned to me by the Privy Council.

### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve, policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

### Capacity to handle risk

The Council vests the responsibility of its risk management process in its Executive Management Team, which is responsible for formulating methods of mitigating identified risks and for formulating a business continuity plan. The Executive Management Team are responsible for ensuring that employees are fully briefed and trained where necessary.

### The risk and control framework

Current risks have been evaluated and appraised as to possibility of occurrence. This is an ongoing process and the Finance and Resources Committee reviews the risk assessment twice a year. Where risks are considered to be high or medium risks, the organisation strives to find ways of reducing the risks.

It is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of accountability. In particular, it includes:

- Consideration of the Council's strategic objectives in reacting to change brought about by UK legislation and other external pressures;
- Reviewing operating procedures particularly with regard to having the right infrastructure in place, including employees being properly briefed and trained in order to maintain and improve service standards;
- Ensuring that corporate governance best practice, as appropriate to the Council, is maintained and updated to meet changing requirements;
- Comprehensive budgeting and forecasting systems with an annual budget and an ongoing 5-year plan which is reviewed and agreed by the Council;
- Regular reviews by the Finance and Resources Committee of monthly and annual financial performance against forecasts;
- Setting targets to measure financial and other performance, including individual goals and objectives for departments and managers;
- Clearly defined procedures for the authorisation and control of revenue and expenditure;
- Operating within the dictates of the Standing Financial Instructions and Financial Procedures Manual;
- Clear documentation of all operating procedures has resulted in ISO accreditation.

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### **Review of effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal and external auditors and the executive managers within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letters and other reports.

### **Significant internal control problem**

A theft of £133,200 by HPC's Finance Director, brought to my attention through the whistle-blowing procedures, has cast doubt over the adequacy of the risk and internal financial control framework operated by the Council. As a result of the occurrence, the Council and I sought the resignation of the Council's internal and company external auditors and I immediately commissioned an independent investigation into the cause of the criminal activities, together with a review of the robustness of internal financial systems. The Council and I have received two reports from the review team and we are completing the process of implementing the recommendations. I have appointed a Finance Manager to oversee the implementation of the recommendations and to update and develop financial processes.

### **Council and committee member expenses and fees**

Following a review of how the HPC reimburses Council and Committee member allowance fees and expenses, it was found that the Council would have an obligation to pay the associated PAYE and National Insurance on expenses and National Insurance contribution on Attendance allowance fees paid. On review of the expenses and fees paid in the last three years, it was noted that a total of £304,000 should have been paid as PAYE and Employer's National Insurance and hence has been provided for in the year.

To augment the skills of the Audit and Finance & Resources Committees, two senior, external accountants have been appointed, one to each Committee, to help critically review the operations of the financial employees and auditors. The Council is also appointing a new firm of Internal Auditors.



### **Marc J Seale**

Chief Executive and Registrar  
Accounting Officer

30<sup>th</sup> March 2006

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEALTH PROFESSIONS COUNCIL**

We have audited the financial statements on pages 76 to 94.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

We certify that we have examined the financial statements on pages 76 to 94 in accordance with Section 46(2) of the Health Professions Order 2001. These financial statements have been prepared under the historic cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 80 and 81.

### **Respective responsibilities of the Council, the Chief Executive and the Auditor**

As described on page 64, the Council and the Chief Executive are responsible for the preparation of the financial statements in accordance with the Health Professions Order 2001 and Privy Council directions made thereunder, and for ensuring the regularity of financial transactions. The Council and its Chief Executive are also responsible for the preparation of the other contents of the Annual Report. Our responsibilities, as independent auditors, are established by statute and we have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

We report our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Section 46(1)(b) of the Health Professions Order 2001 and Privy Council directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. We also report if, in our opinion, the Foreword is not consistent with the financial statements, if the Council has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We review whether the statement on pages 65 and 66 reflects the Council's compliance with Treasury's guidance on the Statement on Internal Control. We report if it does not meet the requirements specified by the Treasury or if the statement is misleading or inconsistent with other information we are aware of from our audit of the financial statements. We are not required to consider, nor have we considered, whether the Accounting Officer's Statement on Internal Control covers all risks and controls. We are also not required to form an opinion on the effectiveness of the Council's corporate governance procedures or its risk and control procedures.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give

reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming our opinion we have also evaluated the overall adequacy of the presentation of information in the financial statements.

**Qualified opinion because of irregular expenditure arising from the misappropriation of funds**

As disclosed in Note 4 of the financial statements, the Income and Expenditure account includes the write off of cash losses to expenditure of £119,636 arising from the misuse of corporate credit cards.

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Health Professions Council at '31 March 2005' and of the surplus, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with Article 46(1)(b) of the Health Professions Order 2001 and directions made thereunder by the Privy Council; and
- except for the write off of expenditure arising from the misappropriation of funds, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Baker Tilly  
5 April 2006

BAKER TILLY  
Registered Auditor  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

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## **The certificate and report of the Comptroller and Auditor General to the Houses of Parliament**

I certify that I have audited the financial statements on pages 76 to 94 in accordance with Article 46(5) of the Health Professions Order 2001. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 80 and 81.

### **Respective responsibilities of the Council, the Chief Executive and the Auditor**

As described on page 64, the Council and its Chief Executive are responsible for the preparation of the financial statements in accordance with the Health Professions Order 2001 and Privy Council directions made thereunder, and for ensuring the regularity of financial transactions. The Council and the Chief Executive are also responsible for the preparation of the other contents of the Annual Report. My responsibilities, as independent auditor are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Article 46(1)(b) of the Health Professions Order 2001 and Privy Council directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Council has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on pages 65 to 66 reflects the Council's compliance with Treasury's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the Accounting Officer's Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Council's corporate governance procedures or its risk and control procedures.

### **Basis of audit opinion**

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial

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transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

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**Qualified opinion because of irregular expenditure arising from the misappropriation of funds**

As disclosed in Note 4 of the financial statements, the Income and Expenditure account includes the write off of cash losses to expenditure of £119,636 arising from the misuse of corporate credit cards.

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Health Professions Council at 31 March 2005 and of the surplus, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with Article 46(1)(b) of the Health Professions Order 2001 and directions made thereunder by the Privy Council; and
- except for the write off of expenditure arising from the misappropriation of funds, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

**John Bourn**  
**Comptroller and Auditor General**

**12 April 2006**

**National Audit Office**  
**157-197 Buckingham Palace Road**  
**Victoria**  
**London SW1W 9SP**

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## **REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT**

### **Introduction**

1. The Health Professions Council (the Council) is an independent, United Kingdom-wide statutory health regulator, which sets standards of professional training, conduct and performance for thirteen health professions.
2. The Council's financial statements reflect the income generated from registrants' fees received from members of the thirteen professions and the Council's operating costs. In 2004-05, the Council received income of £10,037,000 and spent some £10,367,000.

### **Audit Opinion**

3. Under Article 46(2) of the Health Professions Order 2001, the annual accounts are audited by persons appointed by the Council. In addition, under Article 46(5), I am appointed to examine, certify and report on the Council's annual accounts which are then, under Article 45(7), laid by the Privy Council before each House of Parliament.
4. I have qualified my opinion on the financial statements because of material irregular expenditure recorded in the income and expenditure account arising from the misappropriation of funds connected with the misuse of the Council's corporate credit cards.
5. This Report sets out the circumstances which have led me to qualify the Council's 2004-05 financial statements.

### **Financial Irregularities within the Council's Finance Department**

6. As outlined in Note 4 to the accounts, the Council has written off approximately £119,700 in relation to a misappropriation of funds, which mostly occurred during 2004-05. A further £13,600 in relation to misappropriations during 2005-06 will be written off in the 2005-06 accounts.
7. On 9<sup>th</sup> May 2005, allegations of financial irregularities were brought to the attention of the Chief Executive by a member of staff. The Chief Executive immediately suspended the accused official and commissioned a firm of accountants to conduct an independent investigation into these allegations.
8. Their review identified that the Director of Finance had systematically misappropriated some £133,300 of Council funds for his personal gain between January 2003 and May 2005: £1,800 in 2002-03; £36,400 in 2003-04; £81,500 in 2004-05 and £13,600 in 2005-06. This was done through misuse of the Council's credit cards (£129,500), cashing Council cheques made out to cash (£3,000), and private travel charged to the Council's travel account (£800).
9. Their review also highlighted a number of deficiencies in the Council's financial control environment.

### **The Council's Financial Control Environment**

10. Most of the misappropriation was through the misuse of the Council's corporate credit card. The external review found that the Director of Finance had used his corporate credit card to make purchases for his personal benefit, and that of a junior member of staff to make regular withdrawals of cash.

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11. On receipt of each monthly credit card statement, he exploited his senior position and insisted that junior staff separate out his personal expenditure from bona fide Council transactions and record these in a miscellaneous debtors account. He then concealed his growing indebtedness at the year-end by writing personal cheques to the Council to clear the debt. This had the illusory effect of reducing debtors and increasing the cash balance in the Council's ledgers at the end of the financial year. However, within the first few days of April each year, he stopped his cheques and this action reinstated the accumulating debt in the Council's accounts.

12. The Council's policy requires all corporate credit card expenditure to be authorised by the line manager. For the irregular transactions made using the junior member of staff's credit card, as the line manager, the Director of Finance was able to authorise these without the need for further review or explanation. He only submitted expense claims for bona fide business expenditure to the Chief Executive for authorisation. As the monthly credit card statements were not scrutinised by senior management, the scale of the Director of Finance's personal expenditure on his corporate credit card went undetected.

13. The Chief Executive also asked the external team to review all internal systems for their vulnerability for fraud. Their review, issued in June 2005, listed 68 control weaknesses, of which 34 were classified as 'significant' and needing immediate attention and 24 were 'important' and requiring attention within six months. The team undertook a follow-up review in September 2005 to establish the extent to which their former recommendations had been implemented. They found that a majority of 'significant' and 'important' areas of weakness had been addressed and concluded that management controls had significantly improved over the short period of time.

### **Action Taken by the Council**

14. The Council immediately suspended the Director of Finance from his position and informed the police and the National Audit Office. The individual resigned from the Council on 19<sup>th</sup> May 2005 and, having pleaded guilty, was sentenced on 1<sup>st</sup> December to two years imprisonment.

15. The Council also received the resignation of its internal auditors and its own appointed external auditor – who were appointed by the Council from the same firm of accountants. The Council are in the process of appointing a new firm of internal auditors and have appointed a separate firm of external auditors who, in turn, have audited the 2004-05 financial statements.

16. A new Head of Finance has been appointed and the Council have strengthened both its Finance and Resources Committee and Audit Committee by appointing persons with substantial financial experience to help them be more effective in critically reviewing and managing on behalf of the wider Council the work of the financial staff and auditors.

### **Conclusion**

17. My staff have liaised with the Council, its committees, and the Chief Executive since the fraud occurred and have monitored subsequent developments. They have also examined the outcome of the external investigation report and systems' reviews. We are satisfied that:

- the Chief Executive took prompt and appropriate action when the misappropriation became known;
- the circumstances have been adequately investigated and we agree with the external review team's conclusion that the misappropriation is limited to the sums and circumstances outlined above;

- 
- the Council has taken, or proposes to take, appropriate remedial action to strengthen its internal financial controls and governance processes;
  - it has arrangements in place for the segregation of the roles of the internal and external auditors; and
  - the Council has taken appropriate action to augment the financial skills of members of the Finance and Resources Committee and the Audit Committee.

John Bourn  
Comptroller and Auditor General  
12 April 2006

National Audit Office  
157-197 Buckingham Place Rd  
Victoria  
London  
SW1W 9SP

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**Supplementary Statement by the Independent Auditor in respect of material included at pages 1 to 57 of this Annual Report, not included with the financial statements to which the audit opinion on pages 69 to 70 relates.**

This report is made solely to the Council's members, as a body. Our audit work has been undertaken so that we might state to the council's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the Council's members as a body, for our audit work, for this report, or for the opinion we have formed.

In respect alone of our responsibility under International Standards on Auditing (UK and Ireland) to read the other information included with financial statements on which we express an opinion, we have read the information on pages 1 to 57 which was not included with the financial statements on which we reached the audit opinion set out in our independent audit report on pages 69 to 70, and considered whether it is consistent with the audited financial statements. We have considered the implications for our audit opinion if we have become aware of any apparent misstatement or material inconsistencies with the financial statements. We have not considered the effects of any events since the date of our audit report.

In this regard, our audit opinion on the financial statements is unchanged.

Baker Tilly  
Date

BAKER TILLY  
Registered Auditor  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

**Supplementary Statement by the Comptroller and Auditor General in respect of material included at pages 1 to 57 of this Annual Report, not included with the financial statements to which the audit opinion on pages 67 to 68 relates.**

In respect alone of my responsibility under UK auditing standards to read the other information included with financial statements on which I express an opinion, I have read the information on pages 1 to 57 which was not included with the financial statements on which I reached the audit opinion set out in my certificate above, and considered whether it is consistent with the audited financial statements. I have considered the implications for my audit opinion if I have become aware of any apparent misstatement or material inconsistencies with the financial statements. I have not considered the effects of any events since the date of my certificate.

In this regard, my audit opinion on the financial statements is unchanged.

**John Bourn**  
**Comptroller and Auditor General**  
[Date]

**National Audit Office**  
**157-197 Buckingham Place Rd**  
**Victoria,**  
**London**  
**SW1W 9SP**

## Income and Expenditure Account for the year ended 31 March 2005

	Notes	2005 £	2004 £
<b>INCOME</b>			
Fee income			
Registration fees		507,598	318,479
Readmission fees		103,132	86,650
Renewal fees		8,124,425	4,288,921
Pre-registration fees		1,051,343	889,975
Total fee income	1	<u>9,786,498</u>	<u>5,584,025</u>
Grant income - Department of Health		251,117	1,381,149
<b>TOTAL INCOME</b>		<u>10,037,615</u>	<u>6,965,174</u>
<b>EXPENDITURE</b>			
Payroll costs	3	2,744,387	2,323,116
Staff travelling and subsistence		131,688	91,279
Council and committee expenses		642,680	382,977
Property services		336,400	1,033,841
Office services		700,508	743,145
Computer services		1,159,260	552,236
Partners (assessors and other professionals)		1,331,062	955,016
Legal expenses		1,191,717	938,797
Communications		926,869	608,882
Consultation events		455,899	-
Other expenses		746,655	669,786
<b>TOTAL EXPENDITURE</b>	4	<u>10,367,125</u>	<u>8,299,075</u>
Deficit for the year after operational costs		<u>(329,510)</u>	<u>(1,333,901)</u>
Investment income	2	133,912	61,670
(Loss)/gain on disposal of investments		(6,474)	835
Write back of unrealised gains on investments	8	150,744	254,941
Write back of surplus on revaluation of freehold land and buildings	9	-	419,254
Notional costs	5	(28,328)	(39,751)
Deficit after notional costs and investment income		<u>(79,656)</u>	<u>(636,952)</u>
Reversal of notional costs		28,328	39,751
<b>DEFICIT ON ORDINARY ACTIVITY BEFORE TAXATION</b>	6	<u>(51,328)</u>	<u>(597,201)</u>
Taxation	7	(4,703)	-
<b>RETAINED DEFICIT FOR THE YEAR</b>		<u><u>(56,031)</u></u>	<u><u>(597,201)</u></u>

All amounts relate to continuing activities.

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The notes on pages 80 to 94 form part of these financial statements.

**Consolidated statement of total recognised suplus and deficits for the year ended  
31 March 2005**

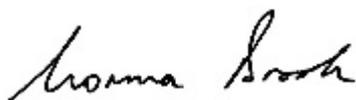
	<b>Note</b>	2005 £	2004 £
DEFICIT FOR THE YEAR		(56,031)	(597,201)
Surplus on revaluation of freehold land and buildings	9	-	32,746
<b>TOTAL RECOGNISED LOSSES FOR THE YEAR</b>		<u>(56,031)</u>	<u>(564,455)</u>



**Balance Sheet 31 March 2005**

	Notes	2005 £	2004 £
<b>FIXED ASSETS</b>			
Tangible assets	9	2,612,660	3,185,715
Investments	8	1,346,804	1,203,107
		<u>3,959,464</u>	<u>4,388,822</u>
<b>CURRENT ASSETS</b>			
Debtors	10	185,113	193,013
Cash at bank and in hand		2,821,797	2,407,980
		<u>3,006,910</u>	<u>2,600,993</u>
CREDITORS: Amounts falling due within one year	11	(1,362,320)	(874,371)
DEFERRED INCOME	12	(4,860,348)	(5,064,591)
		<u>(6,222,668)</u>	<u>(5,938,962)</u>
NET CURRENT LIABILITIES		(3,215,758)	(3,337,969)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>743,706</u>	<u>1,050,853</u>
Represented by:			
Government Grant Reserve	13	355,750	606,866
Accumulated fund			
Revaluation reserves	14	32,746	32,746
General funds	14	355,210	411,241
		<u>743,706</u>	<u>1,050,853</u>

The notes on pages 80 to 94 form part of these financial statements.  
Approved on behalf of the Council on and signed on its behalf:



**PROFESSOR NORMA BROOK**  
President



**MARC J SEALE**  
Chief Executive and Registrar

(2) Accounting Officer

30<sup>th</sup> March 2006

<b>Cash Flow Statement for the year ended 31 March 2005</b>	<b>Notes</b>	<b>2005 £</b>	<b>2004 £</b>
NET CASH INFLOW FROM OPERATING ACTIVITIES	19a	378,175	1,764,507
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Interest received	2	79,613	3,490
Income from investments	2	54,299	58,180
		<u>133,912</u>	<u>61,670</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets	9	(98,843)	(513,618)
Sale of tangible fixed assets	9	-	8,012
Purchase of investments	8	(196,493)	(51,600)
Sale of investments	8	197,066	426,416
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND SERVICING OF FINANCE		<u>(98,270)</u>	<u>(130,790)</u>
INCREASE IN CASH		<u>413,817</u>	<u>1,695,387</u>

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(XXVIII)

**HEALTH PROFESSIONS COUNCIL  
ACCOUNTING POLICIES**

(XXIX)

**(XXX) BASIS OF PREPARATION**

These financial statements have been prepared under the historical cost convention modified to account for the revaluation of fixed assets at their value to the business by reference to their current costs and in accordance with applicable accounting standards.

**(XXXI) CONSOLIDATION**

Until 31 December 2004 the financial statements consolidated the financial position and result of the Council and its wholly-owned subsidiary, the Professions Supplementary to Medicine Charitable Trust. The Trust ceased to operate on 31st December 2004. The income and expenditure account provided on page 76 is for the Council alone. The financial results of the Charitable Trust are shown in note 16.

**(XXXII) TANGIBLE ASSETS**

Individual assets costing £1,000 or more are capitalised and subsequently depreciated. Items costing less than £1,000 are written off to the income and expenditure account in the year of acquisition.

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated at the following rates:

Freehold buildings	- 2% per annum (over 50 years)
Office furniture and equipment	- 25% per annum (over 4 years)
Computer equipment	- 25% per annum (over 4 years)
Registration system software	- 33% per annum (over 3 years)

Freehold properties are revalued in accordance with FRS 15 with a full valuation carried by professionally qualified Chartered Surveyors on an existing use open market value basis, in accordance with the Statement of Assets Valuation Practice No. 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors, every five years.

**(XXXIII) GRANT INCOME AND EXPENDITURE**

All revenue grants receivable are included in the income and expenditure account when they are received. All costs relating to the refurbishment of freehold buildings have been expensed in the income and expenditure account on the basis that these costs do not necessarily enhance the value of the properties. Grants received in respect of the registration system software have been taken to the Capital Grant Reserve, which is applied over the useful life of the software.

**(XXXIV) FEE INCOME**

Fee income (comprising registration fees, readmission fees, renewal fees and pre-registration fees) is recognised on an accruals basis according to the period to which it relates.

**(XXXV) INVESTMENT INCOME**

Bank deposit interest is credited on a received basis. Dividends and interest on fixed interest securities are recognised when due.

#### ***(XXXVI) INVESTMENTS***

Investments are listed on a recognised stock exchange and are included on the balance sheet at market value.

#### ***(XXXVII) COMPUTER SOFTWARE***

Computer software, other than the registration system software, is charged to the Income and Expenditure Account in the year of acquisition.

#### ***(XXXVIII) DEFERRED TAXATION***

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

#### ***(XXXIX) PENSIONS***

Contributions to the FlexiPlan defined contribution pension scheme (see Note 15) are charged to the income and expenditure accounts in the year in which they become payable. The assets of the scheme are held separately from those of the Council in an independently administered fund.

#### ***(XL) NOTIONAL COSTS***

In accordance with Treasury guidance, a notional charge for the cost of capital employed in the period is included in the Income and Expenditure Account along with an equivalent reversing notional income to finance the charge. The charge for the period is calculated using the Treasury's discount rate of 3.5% applied to the average value of capital employed during the period.

#### ***(XLI) VALUE ADDED TAX***

The Council is not registered for value added tax. All costs incurred are expensed in the income and expenditure account.

1	FEE INCOME (by profession)	2005 £	2004 £
	Arts Therapists	110,553	50,212
	Biomedical Scientists	1,322,501	815,752
	Chiropodists	820,187	530,568
	Clinical Scientists	256,448	167,050
	Dieticians	329,487	168,557
	Occupational Therapists	1,625,647	1,063,266
	Operating Department Practitioners	160,490	-
	Orthoptists	74,715	56,677
	Paramedics	614,343	451,332
	Physiotherapists	2,350,156	1,105,885
	Prosthetists and Orthotists	48,049	34,299
	Radiographers	1,437,449	702,022
	Speech and Language Therapists	636,473	438,405
		<u>9,786,498</u>	<u>5,584,025</u>
2	INVESTMENT INCOME	2005 £	2004 £
	Bank deposit interest	75,564	1,998
	Investment deposit interest	4,049	1,492
	Fixed interest securities	10,237	12,852
	Quoted UK equities	44,062	45,328
		<u>133,912</u>	<u>61,670</u>
3	PAYROLL COSTS	2005 £	2004 £
	Wages and salaries	1,797,115	1,546,351
	Social security costs	199,150	169,436
	Pension costs	194,060	197,942
	Other payroll expense including recruitment and temporary staff	554,062	409,387
		<u>2,744,387</u>	<u>2,323,116</u>



Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2006-07-04	a	CNL	AGD	Annualreport2004/2005	Final DD: None	Public RD: None

### 3 PAYROLL COSTS (continued)

The average number of employees (full time equivalents) during the year was as follows:

	2005	2004
Chief Executive's Department	3	2
Communications	6	4
Education and Policy	5	4
Finance	4	4
Fitness to Practise	5	3
Human Resources	3	2
Information/IT	5	1
Office Services	4	4
Project Management	0	1
Registration (International and Grandparenting)	12	13
Registration (UK)	15	14
Secretariat	4	3
	<u>66</u>	<u>55</u>

Council members do not receive any remuneration for their services but receive an attendance allowance. Such allowances, totalling £173,907 (2004 - £199,888), were paid to 35 (2004 - 29) members during the year.

The Chief Executive and Registrar's total remuneration was £134,480 (2004: £127,550). This includes pension contributions paid by the Council of £21,186 (2004: £20,019). The Chief Executive and Registrar is an ordinary member of the FlexiPlan 1 Pension Scheme (see note 15) and his total accrued target pension is £5,359 per annum (2004: £3,366 per annum). His total pensions capital is £62,232 (2004: £38,999) His age is 51.

No other senior staff salaries are disclosed as decision making is vested in the Council members.

4 EXPENDITURE	Staff costs £	Other costs £	2005 £	2004 £
President	-	46,230	46,230	41,744
Council	-	502,627	502,627	-

Secretariat	134,013	36,225	170,238	238,373
Chief Executive and Registrar	212,221	28,585	240,806	202,125
Education and Policy	319,552	628,864	948,416	596,401
Registration	852,733	722,352	1,575,085	1,318,984
Directors	-	-	-	379,232
IT Department	256,682	1,221,327	1,478,009	817,022
Finance	170,807	336,732	507,539	331,339
Administration	145,745	1,091,421	1,237,166	1,977,516
Fitness to Practise	202,172	1,755,927	1,958,099	1,176,542
Human Resources	240,971	280,546	521,517	430,365
Communications	209,491	971,902	1,181,393	789,432
	<u>2,744,387</u>	<u>7,622,738</u>	<u>10,367,125</u>	<u>8,299,075</u>

4 EXPENDITURE (continued)

Included in other finance costs is £119,636 in relation to the misappropriation of funds which occurred in the year. A further £13,627 was misappropriated post year end and will be written off in 2005/2006.

Professional fees post year incurred as a result of the fraud have amounted to £117,500 which will be expensed in 2005/2006. Details of the misappropriation are provided in the foreword to the financial statements.

Included in Council expenditure is £304,000 in relation to the provision of PAYE and National Insurance payable on Council members' reimbursed expenses and Employer's National Insurance on Council members' attendance allowance fees.

5	NOTIONAL COSTS	2005 £	2004 £
	Cost of Capital	<u>28,328</u>	<u>39,751</u>

Notional cost of capital is calculated as 3.5% (2004: 3.5%) of the average capital employed by the Council in the year.

6	OPERATING DEFICIT	2005 £	2004 £
	This is stated after charging:		
	Depreciation	671,898	463,799
	Auditors' remuneration		

	- External audit	41,865	24,525
	- Internal audit	-	7,535
	Taxation	-	11,266
	Other	-	12,750
7	TAXATION	2005	2004
		£	£
	Current tax:		
	UK corporation tax on profits of the period	4,703	-
	Total current tax	<u>4,703</u>	<u>-</u>
	Deferred taxation:		
	Origination and reversal of timing differences	-	-
	Total deferred tax	<u>-</u>	<u>-</u>
	Tax on profit on ordinary activities	<u>4,703</u>	<u>-</u>
7	TAXATION (continued)	2005	2004
		£	£
	Factors affecting tax charge for period:		
	The tax assessed for the period is lower/(higher) than the standard rate of corporation tax in the UK (30%). The differences are explained below:		
	(Deficit) on ordinary activities before tax	<u>(51,328)</u>	<u>(597,201)</u>
	Surplus/(deficit) on ordinary activities multiplied by standard rate of corporation tax in the UK 30% (2004: 30%)	(15,398)	(179,160)
	Effect of:		
	Non-taxable income	(1,914,643)	(1,331,995)
	Write back of unrealised gains on investments not taxed	(28,641)	(48,439)
	Write back of surplus on revaluation of freehold land and buildings not taxed	-	(79,658)
	Loss/(gains) on disposal of investments	1,230	(159)
	Expenses not deductible for tax purposes	1,963,114	1,581,684
	Unutilised charges on income	-	57,727
	Benefits of small companies starting rate relief	(959)	-
	Current tax charge for the period	<u>4,703</u>	<u>-</u>
8	INVESTMENTS	2005	2004
		£	£
	Listed as at 1 April 2004	1,203,107	1,322,147
	Additions	196,493	51,600

Disposals	(203,540)	(425,581)
	<u>1,196,060</u>	<u>948,166</u>
Unrealised gains on investments	150,744	254,941
	<u>1,346,804</u>	<u>1,203,107</u>
At 31 March 2005		
	<u>1,277,756</u>	<u>1,287,053</u>
Historical cost value at 31 March 2005		

All listed investments are managed on a pooled basis by a professional manager on behalf of the Council and UK held investments are listed on the London Stock Exchange. No investments represent more than 5% of the total investment portfolio valuation.

9 TANGIBLE FIXED ASSETS

	Freehold properties £	Office furniture and equipment £	Computer equipment £	Registration system software £	Total £
Cost or valuation					
At 1 April 2004	1,700,000	326,636	508,204	1,412,195	3,947,035
Additions	-	43,104	55,739	-	98,843
At 31 March 2005	<u>1,700,000</u>	<u>369,740</u>	<u>563,943</u>	<u>1,412,195</u>	<u>4,045,878</u>
Depreciation					
At 1 April 2004	8,000	126,797	351,930	274,593	761,320
Charge for the year	24,000	85,869	91,297	470,732	671,898
At 31 March 2005	<u>32,000</u>	<u>212,666</u>	<u>443,227</u>	<u>745,325</u>	<u>1,433,218</u>
Net book value					
At 31 March 2005	<u>1,668,000</u>	<u>157,074</u>	<u>120,716</u>	<u>666,870</u>	<u>2,612,660</u>
At 31 March 2004	<u>1,692,000</u>	<u>199,839</u>	<u>156,274</u>	<u>1,137,602</u>	<u>3,185,715</u>

The freehold property at Park House, 184 Kennington Park Road, London, SE11 4BU and also comprising 20 Stannary Street was valued at 5 December 2003 on the basis of Existing Use Value as defined by the Royal Institution of Chartered Surveyors, Appraisal and Valuation Standards, at the sum of £1,700,000. The valuation was prepared by Drivers Jonas, Chartered Surveyors, of Grosvenor Street, London who acted as independent valuers.

The historic cost of the property was £1,659,254 (2004: £1,659,254) and accumulated depreciation based on cost was £278,893 (2004: £245,708).

Although it is the Council's policy to apply Modified Historic Cost Accounting in line with our Accounts Direction, full Modified Historic Cost Accounting has not been implemented again this year. This is due to the fact that the effect of revaluing assets will make no material difference to the results for the year or the financial position at the year end. This may not be the case in the longer term and this premise will be reassessed annually.

10 DEBTORS

2005  
£

2004  
£

Other debtors	27,182	76,083
Prepayments	157,931	116,930
	<u>185,113</u>	<u>193,013</u>

All amounts shown under debtors fall due for payment within one year.

11	CREDITORS: Amounts falling due within one year	2005 £	2004 £
	Corporation tax	4,703	-
	Other taxation and social security	363,252	53,333
	Other creditors	742,668	534,436
	Accruals	251,698	286,602
		<u>1,362,320</u>	<u>874,371</u>

During the year the overdraft facility of £1,000,000 secured on the freehold land and buildings was relinquished and the charge removed.

12	DEFERRED INCOME	2005 £	2004 £
	Registration fees in advance	97,104	80,667
	Renewal fees in advance	4,763,244	4,983,924
		<u>4,860,348</u>	<u>5,064,591</u>

13	GOVERNMENT GRANT RESERVE	2005 £	2004 £
	At 1 March 2004	606,866	753,353
	Applied in the year	(251,116)	(146,487)
	At 31 March 2005	<u>355,750</u>	<u>606,866</u>

14	ACCUMULATED FUND	Revaluation reserve £	General funds £	Total £
	At 1 March 2004	32,746	411,241	443,987
	- Surplus for the year	-	(56,031)	(56,031)
	At 31 March 2005	<u>32,746</u>	<u>355,210</u>	<u>387,956</u>

## 15 PENSION FUNDING ARRANGEMENTS

The Council has pension obligations to both present and former staff. These are met by the operation of The Council for Professions Supplementary to Medicine Retirement Benefits Scheme and contributions to the FlexiPlan 1 Scheme operated by FPS Trustee Company Limited ("FlexiPlan").

The first scheme was closed in June 1995 and has no active members. On 28 March 2002 all members of the Scheme were served with a statutory notice of closure. The benefits are secured by insurance policies issued by The Scottish Life Assurance Society. The last actuarial valuation as at 23 April 2001, showed that the assets of the fund were sufficient to meet the future requirements of the scheme.

FlexiPlan is a money purchase scheme which offers a targeted final salary benefit. It is a multi-employer scheme and, as such, is exempt from the full disclosure requirements of FRS 17 as each employer is unable to identify its share of the underlying assets and liabilities.

## 16 THE PROFESSIONS SUPPLEMENTARY TO MEDICINE CHARITABLE TRUST

The Council controlled the Professions Supplementary to Medicine Charitable Trust which is Registered Charity No. 313795 and which operated at the same premises as the Council until it ceased operating on 31 December 2004. The Trust's financial results for the period to 31 March 2005 are as follows:

STATEMENT OF FINANCIAL ACTIVITIES	2005 £	2004 £
Incoming Resources	64,655	302,171
Resources Expended	(64,755)	(302,171)
Net Outgoing Resources for the year	<u>(100)</u>	<u>-</u>
BALANCE SHEET		
Current assets	-	100
Accumulated fund	<u>-</u>	<u>100</u>

## 17 RELATED PARTY TRANSACTIONS

The Council's Sponsoring Department is the Privy Council, with whom no transactions took place. The main entity with which the Council has dealt during the year was the Department of Health. Grants were received from the Department of Health in 2003 for the development of the Council's registration system. The system was capitalised and depreciated over 3 years. The grant of £251,117 (£146,485) represents the amount released from the balance sheet during the year. There have been no transactions with Council members except as disclosed in note 3.

## 18 POST BALANCE SHEET EVENTS

On 31 May 2005, the Council acquired a new property in Stannary Street for £930,000. The property was purchased by acquiring the entire issued share capital of Purbrook & Eyres Limited. Consideration for the property was partly in cash and partly via a £500,000 loan taken out with National Westminster Bank plc. The loan is repayable over 47 equal monthly instalments. Interest on the loan is charged at 2% above the Bank's Base Rate.

19 a	RECONCILIATION OF DEFICIT OF EXPENDITURE OVER INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2005 £	2004 £
	Deficit of expenditure over income	(329,510)	(1,333,901)
	Depreciation of tangible fixed assets	671,898	463,799
	Grant income released from reserves	(251,116)	(146,487)
	Decrease in debtors	7,900	614,334
	Increase/(decrease) in creditors	483,246	(659,266)
	(Decrease)/increase in deferred income	(204,243)	2,826,028
	NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>378,175</u>	<u>1,764,507</u>

19 b	RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS	2005 £	2004 £
	Increase in cash in the year	413,817	1,695,387
	Movement in net funds in the year	<u>413,817</u>	<u>1,695,387</u>
	Opening net funds	2,407,980	712,593
	Closing net funds	<u>2,821,797</u>	<u>2,407,980</u>

19 c	ANALYSIS OF FUNDS	Opening balance £	Cash Flow £	Closing balance £
	Cash at bank and on deposit	<u>2,407,980</u>	<u>413,817</u>	<u>2,821,797</u>

## 20 FRS 13 FINANCIAL INSTRUMENTS

FRS 13, Derivatives and Other Financial Instruments, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the largely non-trading nature of its activities and the way in which it is financed, the Health Professions Council is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS13 mainly applies.

Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Council in undertaking its activities.

As permitted by FRS13, debtors and creditors which mature or become payable within twelve months from the balance sheet date have been omitted from the currency profile.

## CURRENCY AND LIQUIDITY RISK

The Council currently has no borrowings and relies primarily on fees and Department of Health grants for its cash requirements and is therefore not exposed to liquidity risk. All material assets and liabilities are denominated in sterling, so it is not exposed to currency risk.

20 FRS 13 FINANCIAL INSTRUMENTS (continued)

INTEREST RATE RISK

Registrants pay fees in advance for up to two years. Surplus funds are held as follows to maximise returns:

Business reserve - all unused funds are transferred from the Council's current account to business reserve account every night to maximise interest.

Money market - surplus funds are held for fixed short-term periods earning a fixed interest rate.

Investment fund - at 31 March 2005 fixed interest investments accounted for 16% (2004: 23%) of the fund and generate a yield of 6.1% (2004: 6.5%). The remainder of the fund is invested in equities, where there is always a known risk of diminution in value.

The Finance and Resources Committee reviews interest rates on potential borrowings although during the year the Council was not exposed to significant interest rate risk.



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