

# Annual Report and Accounts 2022/2023





# Professional Standards Authority for Health and Social Care

## Annual Report and Accounts 2022/2023

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## Foreword from the Chair and Chief Executive

We are pleased to introduce this annual report for 2022/23. This year we have made further improvements to our performance reviews for the statutory regulators in health and social care and to our Accredited Registers programme. We have continued our commitment to promoting equality, diversity and inclusion (EDI) and to supporting the reform of professional regulation. We also published our *Safer care for all* report in September 2022 and consulted on our Strategic Plan 2023-26 during quarter four of 2022/23.

We oversee the work of 10 statutory bodies that regulate health and social care professionals in the UK. In undertaking our oversight role, we strive to strike a proper balance between scrutiny on the one hand, and advice and support on the other. During 2022/23 we implemented changes to our performance review processes to ensure they continue to be proportionate and that they contribute to improvements in professional regulation. Regulators and other stakeholders provided very positive feedback about the changes and all reports were published within three months of the end of the performance review period.

In our scrutiny reviews of regulators' performance over the year, we have found that they have generally performed well against the standards we set. Across all the regulators an average of 92% of the standards were met and four of the regulators met all the standards. Six of the regulators did not meet Standard 15 of the Standards of Good Regulation. This is a fitness to practise standard and the primary reason for it not being met is that it is taking too long to complete cases. This is not good for regulators, registrants, and patients and service users. We will be monitoring this situation very closely in 2023/24.

In reviewing regulators' decisions about whether individuals on their registers are fit to practise, we find that the bulk of cases are managed to a high standard, with findings and sanctions that protect the public appropriately. However, every decision

counts and there is room for further improvement. During 2022/23, 13 appeals under our Section 29 powers were completed. All but one of these appeals were either upheld or settled. One case could not be heard on the basis of jurisdiction – the court decided that Section 29 did not apply to the particular circumstances of the case.

The Accredited Registers programme has an important part to play now and in future, providing assurance for the public in relation to unregulated health and social care sectors. The programme now covers approximately 104,000 practitioners across 25 registers. During 2022/23 our reviews of the registers included the 'public interest' test as part of a risk-based assessment cycle. In the second half of 2022/23 we consulted on safeguarding checks for those on Accredited Registers and also on the introduction of a new standard for EDI for the registers. We will be introducing an EDI standard for the registers in 2023/24 and reviewing the position on safeguarding checks in the light of the government review of the disclosure and barring regime.

The Professional Standards Authority has been very clear that we wish to see more proportionate, effective and efficient regulatory arrangements and we have been a strong advocate of reform of professional regulation. In January 2023, we welcomed the government response to the 2021 consultation on reform and the publication of a consultation on the draft Section 60 Order relating to the regulation of Anaesthesia Associates and Physician Associates. We will be responding to the consultation early in 2023/24. We will continue to work with the government and others to support regulatory reform.

In September 2022, we published *Safer care for all*, a report that highlighted the key challenges for patient safety in the UK and the role of professional regulation in addressing these challenges. The report highlights four main issues for patient safety: the impact of inequalities in regulation and health and care on patients, service users and professionals, and on public confidence

more widely; the challenges facing regulators in adapting to new disruptive factors in how health and care professionals deliver care, such as financial conflicts of interest, new business models and technological changes; the current workforce crisis and how professional regulation may need to evolve to better support the workforce needs across the UK; and how to make learning cultures and individual accountability work for both patient and service user safety. In 2023/24 we will work with regulators, Accredited Registers, stakeholders in health and social care, patients, service users and governments to take forward the recommendations in the report to improve the safety and quality of care for all.

In December 2022, Antony Townsend and Renata Drinkwater stepped down from the Board following the completion of two four-year terms. Antony and Renata made significant contributions to the work of the Professional Standards Authority and will be much missed. We are delighted that Juliet Oliver and Nick Simkins have joined our Board in quarter four of 2022/23.

In March 2023, we relocated to a new office in Blackfriars, London. The new office provides a better working environment at a lower cost than our previous office in Victoria, London.

To conclude, it has been a successful and productive year for the Professional Standards Authority. As we look forward to 2023/24 and beyond, we remain as committed as ever to improving regulation and registration to protect the public.

**Caroline Corby (Chair)**

**Alan Clamp (Chief Executive)**

**Annual  
Report and  
Accounts  
2022/2023**

## 1. Performance report

### Overview

- 1.1 This report sets out the work of the Professional Standards Authority over the last year.

### About the Professional Standards Authority

- 1.2 The Professional Standards Authority for Health and Social Care (the Authority) was established on 1 December 2012. Its role and duties are set out in the Health and Social Care Act 2012.<sup>1</sup> In brief, the Authority protects the public by raising standards of regulation and registration of people working in health and care. The Authority is an independent UK body.
- 1.3 The Authority has a board comprising seven non-executive members and one executive member who is appointed by the Board.
- 1.4 The non-executive members are appointed by the Privy Council, Scottish and Welsh ministers, and the Department of Health in Northern Ireland.
- 1.5 The Authority is primarily funded by the fees paid by the regulators we oversee. Under the Acts of Parliament that govern what we do, we have the powers to carry out a range of activities to promote the health and wellbeing of patients, and the wider public in relation to the regulation of health and social care professionals.
- 1.6 We have duties and powers in relation to:
- The oversight of 10 statutory bodies that regulate health and social care professionals in the UK
  - The accreditation of the registers held by non-statutory registering bodies of health and care professionals
  - The provision of commissions to, and undertaking investigations for, government
  - The provision of advice to other similar organisations in the UK and overseas.
- 1.7 The Authority reports to the UK Parliament and works closely with the devolved administrations in Northern Ireland, Scotland and Wales, and with the Department of Health and Social Care and the Department for Education in England, to deliver our statutory obligations and the key objectives of our business plan. This includes identifying and responding appropriately to both internal and external risks.
- 1.8 The Authority is an unclassified public body.

### What we do

#### *Regulatory and standards setting work*

- 1.9 The Authority has powers to:
- Investigate, compare and report on the performance of each regulator. We are specifically required to report to Parliament on how far each regulator has

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<sup>1</sup> Available at [www.legislation.gov.uk/ukpga/2012/7/contents/enacted](http://www.legislation.gov.uk/ukpga/2012/7/contents/enacted)

complied with any duty imposed on it to promote the health, safety and wellbeing of patients, and the wider public

- Audit the initial stages of fitness to practise cases and report on our findings in relation to each regulator
  - Review the outcome of final fitness to practise cases and refer them to Court if we consider that the outcome is insufficient to protect the public<sup>2</sup>
  - Give directions requiring a regulator to make rules under any power the body has to do so.
- 1.10 We promote the health and wellbeing of patients and the wider public in the regulation of health and social care professionals. To do this, we listen to people's views and concerns and consider them when developing our work.
- 1.11 We assist the Privy Council in the exercise of their appointment powers in respect of the regulators and support the quality of appointments to regulators' councils. In consultation with the regulators, we have produced standards for the Privy Council relating to recruitment and appointments to the regulators' councils.
- 1.12 We scrutinise and oversee the work of the 10 regulators that set standards for the training and conduct of health and social care professionals.
- 1.13 We promote good practice and right-touch regulation. We work with the regulators to improve quality and share good practice. For example, we share learning points arising from the scrutiny of fitness to practise cases and organise seminars to explore regulation issues.
- 1.14 We share good practice and knowledge with the regulators, conduct research and introduce new ideas about regulation to the sector. We work closely with, and advise, the four UK government health departments and the Department for Education in England (in respect of Social Work England) on issues relating to the regulation of health and care professionals.
- 1.15 The regulators are the:
- General Chiropractic Council (GCC) which regulates chiropractors in the UK
  - General Dental Council (GDC) which regulates dentists, dental nurses, dental technicians, dental hygienists, dental therapists, clinical dental technicians and orthodontic therapists in the UK
  - General Medical Council (GMC) which regulates doctors in the UK
  - General Optical Council (GOC) which regulates optometrists, dispensing opticians, student opticians and optical businesses in the UK
  - General Osteopathic Council (GOsC) which regulates osteopaths in the UK
  - General Pharmaceutical Council (GPhC) which regulates pharmacists, pharmacy technicians and pharmacy premises in England, Wales and Scotland
  - Health and Care Professions Council (HCPC) which regulates arts therapists, biomedical scientists, chiropodists/podiatrists, clinical scientists, dieticians, hearing aid dispensers, occupational therapists, operating department practitioners, orthoptists, paramedics, physiotherapists, practitioner

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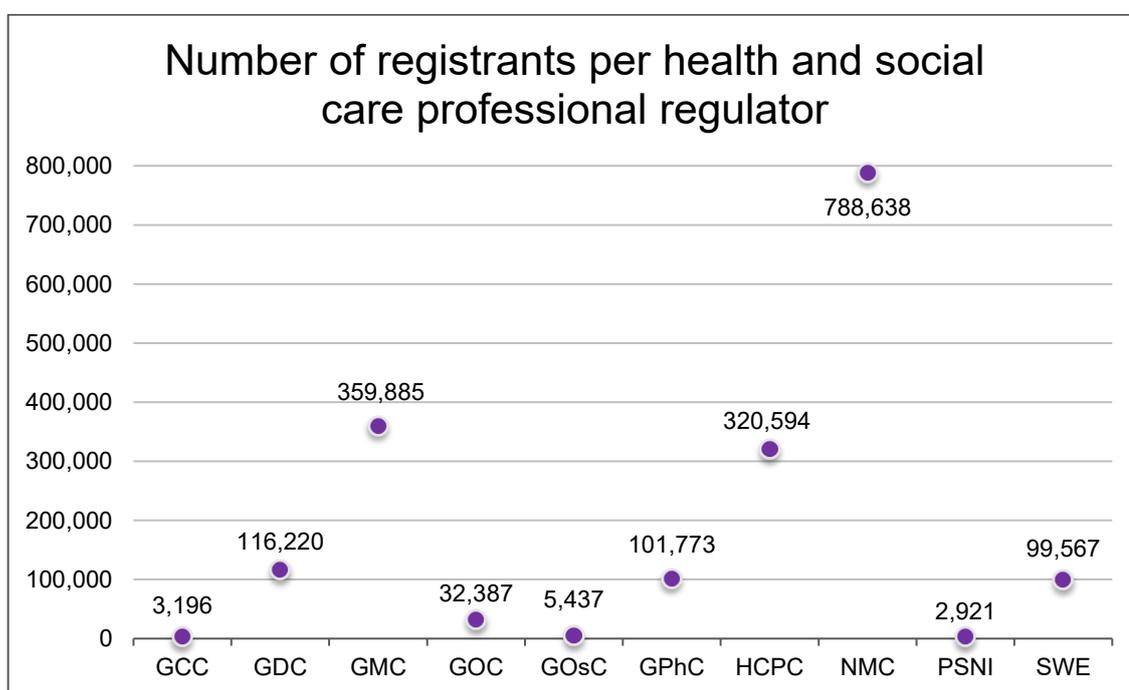
<sup>2</sup> As of 31 December 2015 the phrase 'insufficient to protect the public' replaced the phrase 'unduly lenient'.

psychologists, prosthetists and orthotists, radiographers and speech and language therapists in the UK

- Nursing and Midwifery Council (NMC) which regulates nurses and midwives in the UK and nursing associates in England
- Pharmaceutical Society of Northern Ireland (PSNI) which regulates pharmacists and pharmacy premises in Northern Ireland
- Social Work England (SWE) which regulates social workers in England.

1.16 Details of the number of registrants in each health and social care professional regulator we oversee (as at 31 March 2023) are shown below.

**Table 1 Number of registrants per health and social care professional regulator**



### ***Accredited Registers***

- 1.17 The Authority has a statutory role in strengthening quality and patient safety by setting standards and accrediting registers of people working in occupations not regulated by law. As at 31 March 2023, there were 25 Accredited Registers.
- 1.18 The purpose of accreditation is to improve the quality of registration carried out by the organisations holding these registers and to promote good standards of behaviour, technical competence and, where relevant, business practice by their registrants. It is intended to enhance public protection and support choice by members of the public when seeking services from practitioners in occupations not regulated by law. It is a proportionate means of managing risks.

### ***Commissions from Government(s)***

- 1.19 We support the work of the Secretary of State for Health and Social Care, the Secretary of State for Education, the Welsh Parliament, Scottish ministers and the Department of Health Northern Ireland by providing advice about the regulation and standards of health and social care professionals. We also provide advice on other matters when asked to do so.
- 1.20 The Secretaries of State and Health Ministers in Scotland, Wales and Northern Ireland may also ask us to investigate matters of concern. As set out in the Health and Social Care Act 2012, the Department of Health and Social Care and devolved administrations pay a fee, determined by the Authority, for this work.
- 1.21 We consult with the UK government and the governments in Wales, Scotland and Northern Ireland on the development of guidelines for the sector and respond to their consultations. In addition, we keep abreast of international developments that may affect health and social care regulation in the UK. We work with colleagues in the UK and internationally, ensuring that we are aware of these developments and that we strengthen our relationships with these partners.

### ***Advice to other organisations***

- 1.22 Our legislation permits us to provide advice or auditing services to regulators and to others that have similar functions to those of a regulator, whether or not these functions relate to health or social care. This work is paid for by the organisation requesting the advice.

### ***Our values***

- 1.23 Our values describe how we work with colleagues and external stakeholders. We strive to promote, develop and demonstrate these values in everything we do. A positive culture leads to better performance and better outcomes for patients and the public.
- 1.24 Our values are:
- Integrity – we will be open, honest and trust each other
  - Transparency – we will be clear about our performance and the reasons for our decisions with all stakeholders
  - Respect – we will treat each other, and those we work with outside the organisation, with respect at all times
  - Fairness – we will strive to be fair in all our decision-making

- Teamwork – we will work in partnership to deliver better outcomes for patients and the public.
- 1.25 Our values are explicit in the way we work; how we approach our oversight of the registration and regulation of those who work in health and social care, how we develop policy advice and how we engage with all our partners. We strive to be consistent in the way we apply our values.
- 1.26 We are independent but hold ourselves accountable to the public and to the parliaments and assembly of the UK for what we do and how we do it.
- 1.27 We listen to the views of people who receive care. We seek to ensure that their views are considered in the registration and regulation of people who work in health and social care.
- 1.28 We develop and promote right-touch regulation.<sup>3</sup> This is regulation that is proportionate to the risk of harm to the public and provides a framework in which professionalism can flourish and organisational excellence can be achieved.<sup>4</sup> We apply the principles of right-touch regulation to our own work.

### Our aim

- 1.29 We work to protect the public, set standards and encourage improvement in the registration and regulation of people who work in health and social care. The safety of the public is at the heart of everything we do.

### Strategic objectives for 2020-23

- 1.30 The Authority's corporate strategic objectives for 2020-23 which were agreed by the Board in May 2020 and reviewed annually are set out below.

#### Strategic aim 1

- 1.31 To protect the public by delivering highly effective oversight of regulation and registration.
- To deliver our statutory duties, targeting our resources where there is greatest risk to the public
  - To be transparent in our decision-making and reporting, recognising those who are committed to achieving high standards and being rigorous, clear and fair when reporting non-compliance with our standards
  - To support high standards in health and social care regulation and registration through the effective use of information, data and intelligence
  - To lead the development of more effective regulation through research, commissioned work, policy advice and the use of our right-touch assurance model; and by shaping regulatory reform.
- 1.32 In 2022/23 we:
- Delivered robust and fair performance reviews of the statutory regulators; used our Section 29 powers to review the outcomes of Fitness to Practise panels;

<sup>3</sup> Professional Standards Authority (2010). *Right-touch regulation*. Available at [www.professionalstandards.org.uk/policy-and-research/right-touch-regulation](http://www.professionalstandards.org.uk/policy-and-research/right-touch-regulation)

<sup>4</sup> Organisational excellence is defined as the consistent performance of good practice combined with continuous improvement.

managed the Accredited Registers programme; and reported our findings to Parliament

- Implemented our improved Accredited Registers programme and completed our work on reviewing our performance review processes to ensure they are proportionate, timely and effective
- Completed a pilot of Disclosure and Barring Service (DBS) checks for self-employed Accredited Register practitioners, and publicly consulted on whether to roll these out wider in future.
- Contributed to improvements in regulation through research, policy advice and implementation of our new performance review processes, including the sharing of good practice
- Consulted publicly on a new Equality, Diversity and Inclusion Standard for Accredited Registers, which we will introduce in 2023/24.

### *Strategic aim 2*

1.33 To ensure an effective and coherent approach to protecting the public from harm by promoting and facilitating cooperation between regulators.

- To maintain strong relationships with statutory regulators, organisations with Accredited Registers and other stakeholders to improve standards in professional practice
- To work collaboratively with professional and system regulators in health and social care to better protect the public
- To ensure that the Accredited Registers programme and other forms of assurance in health and social care complement statutory regulation to provide a coherent approach to safe care
- To extend collaboration beyond professional and system regulators to include employers, representative bodies, patients and the public.

1.34 In 2022/23 we:

- Continued to deliver our stakeholder engagement strategy and used this to share knowledge, learning and good practice, and to promote, shape and support regulatory reform
- Engaged with patient groups and the public to promote the interests of users of healthcare, social care and social work in the work of regulators and Accredited Registers
- Reviewed the communication, cooperation and collaboration between professional regulators, and with system regulators, in order to bring about improvements
- Engaged with regulators and Accredited Registers to promote and monitor equality, diversity and inclusion.

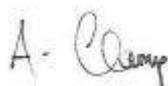
### **Strategic aim 3**

- 1.35 To ensure the Authority is well led, with a clear focus on quality improvement, effective financial management, equality and diversity, and investment in our people.
- To promote and monitor equality, diversity and inclusion within the Authority and in those we oversee
  - To maintain and improve cost-effectiveness and quality by systematically reviewing systems, processes and procedures and by working with others
  - To retain and develop our staff and to maintain a positive working culture
  - To improve expertise and support delivery through high quality learning and development.
- 1.36 In 2022/23 we:
- Continued to deliver our finance, ICT and people strategies
  - Improved our effectiveness and increased our value for money
  - Delivered the action plan arising from our equality, diversity and inclusion project
  - Provided a range of relevant and useful professional development opportunities for all staff.

### **Business principles**

- 1.37 The Authority started operating with four work streams in 2012 and has, in the intervening period, increased the rigour of separation between them. We nevertheless recognise that our stakeholders will be looking for transparency with regards to how we operate.
- 1.38 We set out below the principles that we work to:
- **Regulatory and standards setting work:** All fees from the regulators are applied solely to our statutory functions of regulatory oversight and improvement as set out in our legislation. Any surplus or deficit generated against our budget as approved by the Privy Council will be used in the calculation of the following year's fee
  - **Accredited Registers:** All fees for accreditation or renewal from registers are applied solely to provide and develop the Accredited Registers programme. Any surplus generated will be retained for the benefit of the programme
  - **Commissions from Government(s):** The pricing of commissions and consultancy contracts will cover all costs associated with the work. Any surplus arising will be deployed at the Board's discretion to support our organisational objectives in the public interest
  - **Advice to other organisations:** The pricing of commissions and consultancy contracts will cover all costs associated with the work. Any surplus arising will be deployed at the Board's discretion to support our organisational objectives in the public interest.
- 1.39 Surpluses will be applied according to these principles after the requirements of our reserves policy have been met.

- 1.40 To ensure transparency we will:
- Publish our annual accounts and fully disclose our audited financial statements (Pages 70 to 73)
  - Show clearly our income and expenditure in relation to each of the Authority's four functions (Para 10.62)
- 1.41 In conjunction with these principles our Board has established a reserves policy.
- 1.42 The Authority has agreed to hold minimum reserves of three months' total operating costs of circa £1.244 million, within which it draws a distinction between:
- A restricted element associated with regulatory and standards work
  - An unrestricted element associated with all the Authority's work.
- 1.43 The level and make-up of our reserves is reported later in our financial accounts (p88)
- 1.44 Any money taken from reserves during the year which reduces them below the minimum level agreed will need to be replaced in the following year(s).



Alan Clamp,  
Accounting Officer  
21 June 2023

## 2. Key performance indicators

- 2.1 This section explains how we measure performance. In our annual business plan, we set out various key performance indicators (KPIs) for our work. We review them as part of the work programme of the Directors Group and report them to the Board. We discuss them with officials in the Department of Health and Social Care and the administrations in Scotland, Wales and Northern Ireland at our periodic information-sharing meetings.
- 2.2 Our performance against those KPIs that are most likely to be of public interest during 2022/23 is set out below:

Area of work	Key performance indicators	Performance in 2022/23
Finance	To pay undisputed invoices: 100% in 10 days	100% [562/562] Number of invoices paid
	Budgeted income / expenditure variance less than 5% (excluding Section 29 that is outside our control)	3.09% [£4,642/£4,499]
	Payment error rate less than 3%	0% [562/562] Number of payments made
	Late purchase order (PO) rate less than 10%	6.6% [21/319] Number of POs raised
HR	Staff sickness no more than 2%	1.7% [181/10,184]
	Staff turnover to be less than 15%	13.5% [6/44]
	Average recruitment process less than 12 weeks	11.6 weeks
	Vacancy rate no more than 5%	0%
ICT	85% of helpdesk calls to be closed within 1 day	96% [423/440]
	System unavailability below 10 hours	0 hours
Information security	Zero Incidents reported to the Information Commissioner's Office	1 <sup>5</sup>

<sup>5</sup> We had one incident. This relates to a self-referral made to the ICO in relation to private information about a registrant accidentally being uploaded to the website, this was removed as soon as it spotted. The ICO has concluded that no further action is required.

Information requests (FOI / SAR / EIR)	All (100%) Subject Access Requests dealt with within statutory deadlines	100% [3/3]
	All (100%) Freedom of Information Act requests dealt with within statutory deadlines	100% [19/19]
Complaints	100% of complaints acknowledged in five days	100% [3/3]
	Response to all complaints to be completed within 28 days	100% [3/3]
Health and safety	No reported incidents causing harm	0
Section 29 decisions	Number of cases received [compared with last year]	2,335 [2,137]
	Number of Case Meetings held [compared with last year]	20 [28] <sup>6</sup>
	Appeals lodged [compared with last year]	18 [19] <sup>7</sup>
	100% of relevant decisions considered within statutory deadline	100% (2,335)
Performance Reviews	2022 performance reviews published <u>within 3 months</u> of end of review period	100% [10/10]
Public concerns about Regulatory bodies	100% of concerns acknowledged within five working days since 1 April 2022	99% (351/355) <sup>8</sup>
Accredited Registers – current processes	90% of Registers have a full assessment within three years of the previous assessment.	100% (25/25)

<sup>6</sup> Our 2021/22 annual report and accounts erroneously included figures for the number of detailed case reviews undertaken, rather than case meetings held.

<sup>7</sup> Including 1 case under s.40B of the Medical Act, joining the GMC's appeal.

<sup>8</sup> Three concerns missed the KPI by one (x2) and five days, respectively. These were late transfers from other PSA mailboxes. One concern missed the KPI by 13 days due to correspondence being received by letter during the office move.

	<p>90% of decisions about the annual check within one year of the previous assessment.</p> <p>95% of Conditions are reviewed within two months of when they were due.</p> <p>95% of targeted reviews are completed within three months of the date initiated</p> <p>90% of decisions are made on new applications for accreditation within two months of all information received.</p>	<p>92% (23/25)</p> <p>100% (33/33)</p> <p>67% (2/3)<sup>9</sup></p> <p>100% (3/3)</p>
Website usage	<p>Year-to-date data on website usage for March 2023 with same period last year (March 2022) in brackets</p> <ul style="list-style-type: none"> <li>• Total page views across the website</li> <li>• Check a Practitioner landing page and practitioner specific pages</li> <li>• Accredited Registers home page and related Accredited Registers pages</li> </ul>	<p>491,011 (558,930)</p> <p>154,120 (163,811)</p> <p>76,608 (93,849)</p>

### Performance analysis

- 2.3 As this report shows, we have continued to focus on public protection, the improvement of professional regulation and registration and the effective delivery of all our statutory functions. We have worked hard to ensure that we have maintained the quality of our performance.
- 2.4 The volume of work carried out by staff has remained high. We are appreciative of the support and collaboration that we have received from the regulators, particularly their cooperation with the business planning cycle and fee consultation.
- 2.5 Overall, all KPIs for Accredited Registers have been met throughout the year with the exception of '95% of targeted reviews are completed within three months of the date initiated'. We achieved 67% against this target. A total of three targeted reviews were completed during 2022/23, and one (for the UK Council of Psychotherapy, completed in May 2022) missed the KPI by two working days. This was due to pressures on team capacity arising from a sustained increase in new applications, and not yet having additional resource in place.

<sup>9</sup> See para 2.5 for explanation

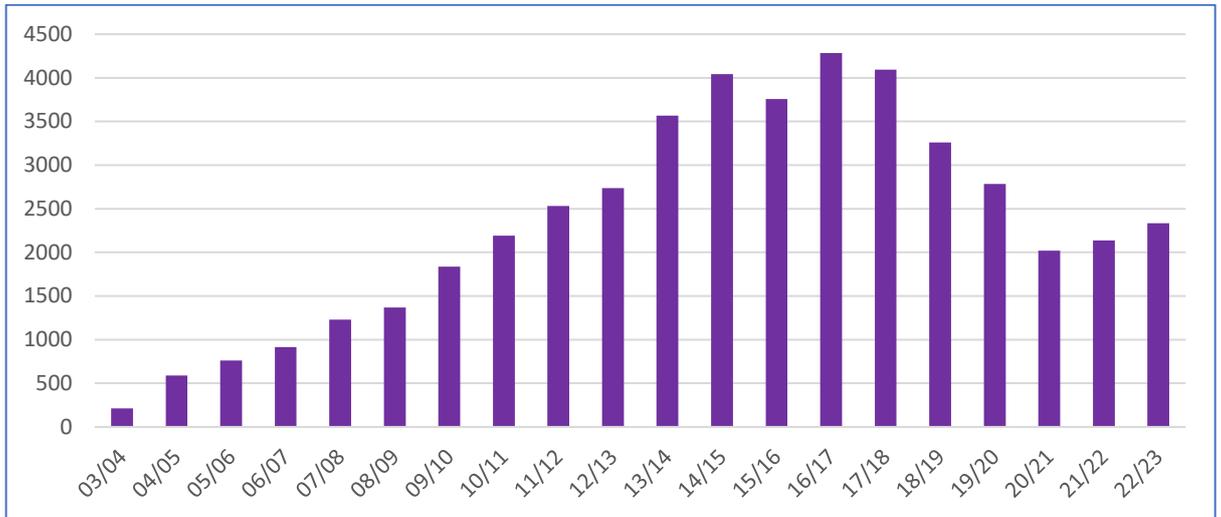
### 3. Regulatory and standards setting work

#### Section 29

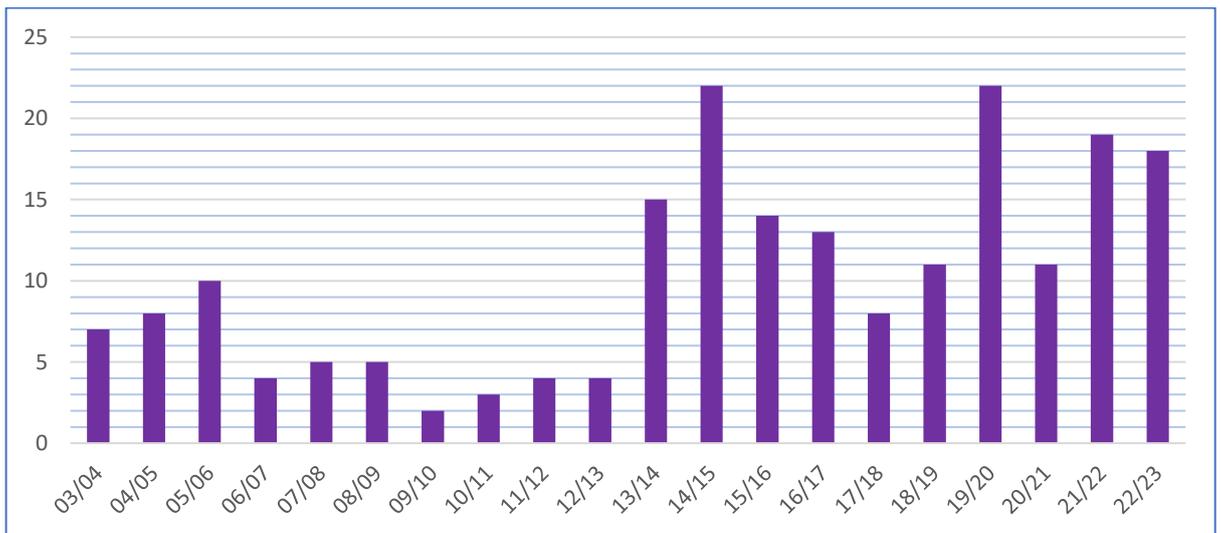
- 3.1 Under Section 29 of the National Health Service Reform and Health Care Professions Act 2002, we can refer final fitness to practise (FTP) decisions made by the 10 regulators to Court (a referral by us is treated as an appeal by the Court) if we consider that the decision is not sufficient to protect the public.
- 3.2 This year we have seen a 9% increase in the number of fitness to practise determinations notified to us by the regulators, from 2,137 in 2021/22 to 2,335 in 2022/23 (see table 2).
- 3.3 The majority of the determinations that we reviewed (44%) were NMC panel decisions.
- 3.4 Of the 2,335 cases we received in 2022/23, 96% (2,239) were closed with no requirement for more information. However, 535 of these cases had resulted in the regulator removing the registrant's name from its register, not restoring them to the register, or suspending them indefinitely, therefore raising no concerns about public protection and requiring no Authority intervention. We also do not look at cases where a review panel has imposed a further suspension, a suspension following a period of conditional registration, or where a suspension has been imposed for the maximum period in a case involving the registrant's health, performance, language impairment, or non-compliance with the regulatory process. Under this approach, 294 cases were closed. A further 46 NMC cases were closed following a finding of impairment but where the registrant's registration had lapsed during the FTP process. In these cases, should the registrant apply for restoration, the previous FTP concerns would be referred back through the FTP process.
- 3.5 Of the cases received during 2022/23, we requested further information in 96 cases and undertook detailed case reviews in 88 of these (3.7% of all cases), compared to 101 (4.6%) in 2021/22. We closed eight cases after requesting further information as we determined that it was necessary to undertake a full detailed case review in these cases once we had received the information.
- 3.6 During 2022/23, we considered 20 panel determinations at formal Section 29 case meetings. There were no meetings held to consider whether or not to join GMC appeals ('Section 40B meeting'). By way of comparison, in 2021/22, we held 26 meetings, two of which were Section 40B case meetings.
- 3.7 We referred 18 cases to Court under our Section 29 jurisdiction (compared to 19 referred in 2021/22). Two of these were appeals lodged under our statutory deadline decision-making process, where no Section 29 case meeting was held. Our appeals in three cases referred within this financial year were upheld or settled by consent, and 15 remaining cases are listed for hearing in the 2023/24 financial year, the outcomes of which will be reported in next year's annual report.
- 3.8 In the two cases that we considered at formal case meetings but which we decided not to refer to Court, we identified learning points to feed back to the regulators.

- 3.9 This year we have seen a small decrease in the percentage of cases referred to Court of those we received (down to 0.77 % from 0.89%) when compared to the previous year (see table 3).
- 3.10 Of the 18 referrals to Court under the Section 29 jurisdiction that we made in 2022/23, seven related to NMC panel decisions, five related to SWE panel decisions, two related to decisions made by the Medical Practitioners Tribunal Service, two related to GDC panel decisions, and two to an HCPC panel decisions.
- 3.11 Of the 11 referrals to Court made in 2021/22 that were unresolved in that financial year, all but one have now been concluded. One appeal was withdrawn as the registrant was removed from the regulator's register in other proceedings and another appeal could not be heard as the Court ruled that Section 29 did not apply to the circumstances of the case. Eight appeals were upheld or settled by consent. The outcome of the one remaining appeal from 2021/22 will be reported in next year's annual report.

**Table 2 Number of fitness to practise cases received annually**



**Table 3 – Number of cases referred to Court annually**



**Table 4 – Progress of cases referred to Court**

Regulator	No of determinations referred to Court under Section 29 of the 2002 act	Outcome
NMC	Seven	<p>Two appeals were settled by Consent Order. In both cases the Court approved the Consent Orders upholding the appeals and quashing the decisions.</p> <p>In one case the conditions were replaced with suspension. In the other case, the finding of no impairment was replaced with a finding of impairment.</p> <p>We expect the remaining five appeals to be concluded in 2023/24.</p>
GMC	Two	<p>We expect both appeals will be concluded in 2023/24.</p>
SWE	Five	<p>One appeal was settled by Consent Order. The Court approved the Consent Order upholding the appeal, quashing the decision and remitting the case to an SWE panel.</p> <p>One appeal was heard but judgment was reserved until a date in 2023/24.</p> <p>We expect the remaining three appeals to be concluded during 2023/24.</p>
HCPC	Two	<p>We expect all appeals to be concluded during 2023/24.</p>
GDC	Two	<p>We expect all appeals to be concluded during 2023/24.</p>

### Performance review

- 3.12 We have a statutory duty to report annually on the performance of each of the regulators in fulfilling their duty to protect the public. We do this by assessing their performance against our Standards of Good Regulation. We review and report on each regulator’s performance each year.

- 3.13 During the financial year, we published 13 performance review reports. Three of these reports were from the performance review cycle for which we commenced our assessments in January 2021. Of those reports, the GDC met 17 of 18 Standards, Social Work England met 16 Standards and PSNI met 17 Standards.
- 3.14 The Standards met by each regulator for the full review cycle covered by this financial year are included in the table below.

**Table 5: Standards met by each regulator in the cycle commencing January 2022**

<b>Regulator</b>	<b>Standards met out of 18</b>
<b>General Chiropractic Council</b>	17
<b>General Dental Council</b>	16
<b>General Medical Council</b>	18
<b>General Optical Council</b>	18
<b>General Osteopathic Council</b>	18
<b>General Pharmaceutical Council</b>	15
<b>Health and Care Professions Council</b>	13
<b>Nursing and Midwifery Council</b>	17
<b>Pharmaceutical Society of Northern Ireland</b>	18
<b>Social Work England</b>	16

*Introducing a new approach to our performance reviews*

- 3.15 In early 2022 we introduced a new approach to assessing the performance of the regulators. We moved to a process whereby we undertake a detailed 'periodic' review of each regulator once every three years and monitor their performance in intervening years. In the first year of this process, we undertook two periodic reviews (of the GDC and GOC) and eight monitoring reviews.
- 3.16 One of our key aims of introducing this new approach was to focus more on the risks we identify through our evidence base and so direct our resources more effectively to these areas. We wanted to spend less time looking at routine areas where we did not have any concerns.
- 3.17 In addition to focusing more on risks, we wanted to publish our reports sooner and engage with stakeholders more effectively to help inform the areas of performance that we should look at for each regulator. We set ourselves the target of publishing each report within three months of the end of a regulator's review period and met the KPI for all 10 regulators this year. We also wanted

to engage more with the regulators to improve the transparency of our processes.

- 3.18 We have received positive feedback from regulators and stakeholders and will be evaluating the implementation of the first year of the new approach during 2023.

### HCPC

- 3.19 In previous years we have reported on the performance of the HCPC and the steps it has taken to address the concerns we first identified in 2016/17 and continued to see when we followed up on progress to address these in 2019/20.
- 3.20 We have continued to work with HCPC this year to monitor its progress against its fitness to practise improvement plan introduced in November 2020. We have seen progress made by the HCPC this year and audited elements of its fitness to practise processes where we expected to see the impact of its improvement work. It is important to note that its performance against the Standards of Good Regulation as outlined in table 5 above relates to its performance in the previous financial year. We will publish our report on the HCPC's performance for the period covering April 2022 to March 2023 by the end of June 2023.

### Data

- 3.21 As part of our evidence gathering for the performance review process, we collect a consistent set of data from the regulators quarterly, which allows us to identify trends over time and gives information to inform further work. We also collect an annual dataset from the regulators. The table below sets out some of the key statistics for the period 1 April 2022 to 31 March 2023. This information has not been audited by us.

Data for 1 April 2022 to 31 March 2023	GCC	GDC	GMC	GOC	GosC	GPhC	HCPC	NMC	PSNI	SWE
Number of registrants	3,196	116,220	359,885	23,800 professionals 5,761 students and trainees 2,826 bodies corporate	5,437	101,773 includes 13,805 premises	320,594	788,638	2,921	99,567
Number of new initial registration applications received	244	12,829	26,834	1,357	245	4,157	31,041	52,148	138	5,569
Number of registration appeals concluded where no new information was presented, and that were upheld.	0	0	0	1	0	0	0	0	0	0

Data for 1 April 2022 to 31 March 2023	GCC	GDC	GMC	GOC	GosC	GPhC	HPCP	NMC	PSNI	SWE
Median time (in days) taken to process initial registration applications for:										
UK graduates	1	40	1	3.3	2	Pharmacist = 0 Pharmacy Technician = 0	4	0	9.5	0
International	1	50	15	4.5	2	Pharmacist = 0 Pharmacy Technician = 0	27	0	22	0
Annual retention fee	£800	£690 dentists £114 DCPs	£420	£360 (optometrists, dispensing opticians and businesses) £30 (students)	£320 (entry) £430 (Yr2 UK) £215 (Yr2 reduced rate) £570 (Yr3+ UK) £320 (Yr3+ reduced rate)	£257 (Pharmacist) £121 (Pharmacy Technicians) £365 (Premises)	£98.12	£120	£398 (Pharmacist) £155 (Premises)	£90
The time taken (in weeks) from receipt of initial complaint to the final investigating committee decision:										
Median time taken to conclude	52	83	40	63	37	94.3	63	96	59.5	81
Longest case to conclude	163	383	547	274	74	372.1	321	472	125	300.9
Shortest case to conclude	21	12	2	12	11	27.0	10	20	34	13
The time taken (in weeks) from receipt of initial complaint to final fitness to practise hearing determination:										
Median time taken to conclude	87	110	135	75	58	126.5	153	154	109.5	178.3
Longest case to conclude	184	361	492	358	184	414.6	355	407	160	318.9
Shortest case to conclude	53	48	12	32	41	58.0	45	19	62	28.6
The median time taken (in weeks) from initial receipt of complaint to interim order decision, and from receipt of information indicating the										

Data for 1 April 2022 to 31 March 2023	GCC	GDC	GMC	GOC	GosC	GPhC	HCPC	NMC	PSNI	SWE
need for an interim order to an interim order decision:										
Receipt of complaint	34	16	9.4	15.1	10	16.3	18	4	4.5	32.4
Receipt of information	5	3	3	3.9	3	3.1	3	NA	2.5	3.7
Number of registrant/ Authority appeals against final fitness to practise decisions:										
Registrant appeals	1	3	14	1	0	3	3	8	0	6
Authority appeals	0	2	2	0	0	0	2	7	0	5
Number of judicial review applications where leave has been given	0	0	2	0	0	0	0	0	0	0

3.22 Variations in the statistical performance data for the different regulators reflect the size of their registers, their legislative constraints and the different environments in which they work. We recognise that regulators with smaller caseloads may well find their overall performance skewed by a couple of unavoidably lengthy cases or even very short ones.

### Appointments

3.23 With the exception of the PSNI and Social Work England, appointments to the regulators' councils are made by the Privy Council. The Authority assists the Privy Council by scrutinising the process used by regulators to recommend candidates for appointment. Following our scrutiny, we advise the Privy Council if it can have confidence in the regulator's process.

3.24 We work closely with regulators, offering advice about how to meet our required standards for appointments and promoting best practice. For those appointments being made through an open competition, we have an advance notice stage that allows us to raise any concerns we have about the regulator's plans before they invite applications.

3.25 In 2022/23, we provided advice to the Privy Council in relation to 14 processes run by seven of the eight regulators whose appointments we scrutinise. Eight of these processes related to recommendations for appointment made following open competition covering a total of 13 vacancies. The other six processes related to reappointments, with eight council members recommended for reappointment. We advised the Privy Council that it could have confidence in all of the processes we scrutinised.

3.26 We held our appointments seminar in January with strong attendance from all of the regulators whose appointments we oversee and the Privy Council. This year we asked regulators to update us on the progress they have made

embedding EDI approaches into their appointments work. We were impressed with the effort regulators put into providing their updates and their commitment to EDI in this aspect of their work.

### Concerns

- 3.27 We are contacted on most days by members of the public and health and care professionals who want to share their experience of the regulators with us. In addition, we receive many general requests for information or assistance about health and care services. While we cannot investigate complaints about the regulators, we try our best to provide useful information and will, on occasion, contact a regulator about a concern we receive. All the feedback we receive from the concerns is considered through our performance reviews process.
- 3.28 During 2022/23 we received 355 concerns about regulators, a similar figure to the previous year. The largest number of concerns we received (67) focused on ongoing fitness to practise cases of the regulators and, as in the previous year, many of these concerned regulator delays in concluding their investigations. We heard about the impacts of these delays on both patients and practitioners.
- 3.29 We also received a further 51 concerns from the public about decisions regulators made at the early stages of their process, declining to take a case forward for further investigation or to a hearing.
- 3.30 We were contacted by 11 individuals wishing to inform our Section 29 reviews with their concerns about the final outcome of a fitness to practise hearing. We took these concerns into account during our reviews and, when completed, thoroughly explained the reasons for our decision whether or not to take action. We also received concerns from registrants about decisions they thought too harsh or in several cases, potentially discriminatory. We are unable to review the outcomes of fitness to practise hearings on behalf of registrants but take this feedback into account through our performance review.
- 3.31 We received an increased number of concerns with the registration processes of the regulators, up to 55 from 36 the previous year. These largely concerned applicants, often international candidates, experiencing delays.

### Policy and research

- 3.32 We carry out a variety of work to help ensure that regulation protects the public effectively. This includes conducting research and publishing policy advice and looking forward, to anticipate change and ensure regulation remains agile. Our objective is to ensure that regulation and registration are based on evidence of what works so that regulators and the Accredited Registers are effective at protecting the public. Our focus this year has been on the forthcoming regulatory reforms and our *Safer care for all* publication.

### Legislative reform

- 3.33 The four UK Governments consulted earlier this year on legislation to bring Anaesthesia Associates and Physician Associates into statutory regulation, by

the General Medical Council. The model put forward for these two groups will form the blueprint for reform for regulation of doctors, and all the other regulators we oversee in due course.<sup>10</sup> The changes to the model of regulation would grant the GMC and other regulators more independence to determine how they regulate. It would also give them new powers to dispose of fitness to practise cases without a hearing.

- 3.34 We support the aims of these reforms because they will give regulators the flexibility they need to adapt and improve. We suggested some changes to the draft legislation in our response to the consultation, guided by criteria<sup>11</sup> we have been using since 2021 for assessing the success of these reforms. These included changes to the drafting to make sure that regulators have the powers they need to regulate effectively in specific areas, but also some questions relating to the underlying policy.
- 3.35 In our response to the previous consultation,<sup>12</sup> we recommended specific changes to the Authority's powers to balance out the new regulator autonomy. We accept the Government's decision not to proceed with these changes and the aim of giving regulators more autonomy, but it remains important that this is appropriately balanced by effective accountability. We will be considering in 2023/24 how we can help the reforms work well once the legislation is passed.

### Policy and research

- 3.36 In September, we published *Safer care for all – solutions from professional regulation and beyond*.<sup>13</sup> Our report considers what more regulation can do to help tackle some of the major challenges facing the sector including tackling inequalities, regulating for new risks arising from changing models of care, facing up to the workforce crisis and balancing accountability, fear and public safety. Two key recommendations were the introduction of a Health and Social Care Safety Commissioner to bring about the necessary action across organisations to improve the safety of patients and service users; and the development of Regulatory Strategies to sit alongside workforce strategies in each country.
- 3.37 We also took an in depth look at regulators and Accredited Registers arrangements for managing and analysing their data; their current practice and plans for making their data more transparent and available to stakeholders; their work to analyse and promote learning from their data; and their work to synthesise their data with other organisations. We intend to continue this work in 2023-2024 to support collaboration.
- 3.38 We commissioned qualitative research looking at what constitutes discriminatory behaviour in health and social care and the different ways in

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<sup>10</sup> With the exception of Social Work England, which is a relatively new regulator bearing similarities to what is being proposed for the others.

<sup>11</sup> [https://www.professionalstandards.org.uk/docs/default-source/publications/thought-paper/psa-first-look-at-government-consultation-on-reforming-regulation.pdf?sfvrsn=f9a44920\\_5](https://www.professionalstandards.org.uk/docs/default-source/publications/thought-paper/psa-first-look-at-government-consultation-on-reforming-regulation.pdf?sfvrsn=f9a44920_5)

<sup>12</sup> <https://www.professionalstandards.org.uk/publications/detail/professional-standards-authority-response-to-regulating-healthcare-professionals-protecting-the-public>

<sup>13</sup> <https://www.professionalstandards.org.uk/safer-care-for-all>

which this behaviour may have an impact on public safety and confidence. It will be published in early summer 2023.

- 3.39 We reviewed 36 consultations by other bodies against our criteria and responded to 19. This included updating gender on a register, proposals for a Patient Safety Commissioner in Scotland, and the DHSC Mental Health and Wellbeing Plan.

### Stakeholder Engagement

- 3.40 We carried out a range of stakeholder engagement activity to support our strategic objectives and organisational priorities. Key areas of focus for engagement were regulatory reform, our Strategic Plan, *Safer care for all* report and Accredited Registers. We also carried out targeted engagement to support our review of Standard 3 (Standards of Good Regulation) which assesses the regulators' approach to equality diversity and inclusion. In March we held our sixth annual 'Regulatory developments and the Welsh context' seminar, which we host jointly with the Welsh Government to examine the role of regulation in supporting the health and care workforce now and in the future. We have increased resource to support stakeholder engagement with the appointment of a Head of Stakeholder Engagement and Communications to the Authority.

### Strategic Plan

- 3.41 We carried out a public consultation on our draft Strategic Plan 2023-26 which closed in February 2023. The four themes in our *Safer care for all* report of tackling inequalities; regulating for new risks; facing up to the workforce crisis; and accountability, fear and public safety run through our objectives in our Strategic Plan. There was particularly strong support for the greater focus on Equality, Diversity and Inclusion and helping to support positive working cultures.

### Engagement

- 3.42 On Accredited Registers, engagement built on the activity carried out around the strategic review of the programme in the previous financial year and has sought to embed the value of the programme fully with key stakeholders in the sector. As part of this, we held an Accredited Registers seminar on the 1 February 2023. We carried out two consultations on specific areas for the programme including on the introduction of an EDI standard and on whether to introduce strengthened requirements on safeguarding.
- 3.43 We have continued to maintain regular engagement with stakeholders across the sector to support delivery of our statutory functions including through regular meetings, events and attendance at external events including the Scottish Regulatory Conference, NICON and CLEAR and stakeholder events in Scotland and Wales organised alongside our Board meetings held in these countries in May and September 2022.
- 3.44 In December 2022 we received a draft compliance notice from the Welsh Language Commissioner outlining the new Welsh language standards that we will be required to meet. We engaged extensively with the Welsh Language Commissioner's office and the health professional regulators in formulating

our response to the consultation on the standards, which we submitted in March 2023. We are now planning for the implementation of the new standards, which we expect to come into force towards the end of 2023.

### Accredited Registers

- 3.45 The Authority's Accredited Registers programme covers approximately 104,000 practitioners over a range of more than 60 roles in health and social care.
- 3.46 Being accredited means that an organisation has satisfied us that it meets all our *Standards for Accredited Registers*<sup>14</sup> ('the Standards'). Once accredited, the Register and its registrants are entitled to use the Authority's accreditation Quality Mark (shown below). This allows the public, employers, and commissioners to choose a practitioner with confidence in their commitment to high standards.



- 3.47 Every Register we have accredited has been required to improve its practice in one or more areas to meet the Standards for Accredited Registers before gaining accreditation. Conditions (changes that must be made within a specified timeframe to maintain accreditation) and Recommendations (actions that would promote best practice but do not have to be completed to maintain accreditation) may be issued by our Accreditation Panels at initial accreditation and at full renewal assessments to improve practice against the Standards. Conditions must be met to maintain accreditation.
- 3.48 In July 2021, we introduced changes to the programme following a strategic review. These included a new fees model that better reflected the size of registers; changes to the assessment cycle that mean each Register now has a full assessment once every three years instead of annually, with an annual check in the intervening years; and the introduction of a new 'public interest test' (Standard 1b), to better assess the impact of accreditation.
- 3.49 2022/23 was the first full year of implementation of these new processes. Renewal fees remained at the level when introduced in July 2021, and consisted of a base fee of £10,500 and a per-registrant component of £5.70; with cap of £60,000. Fees for new applications remained at £13,798.
- 3.50 Registers can also apply for an initial, provisional decision against the new 'public interest test' before submitting a full application. The fee for this is £1,300 which is refundable against the full cost of an application. This is proving a popular route for new Registers, with several Standard One applications received during 2022/23 as detailed below.

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<sup>14</sup> [https://www.professionalstandards.org.uk/docs/default-source/accredited-registers/standards-for-accredited-registers/standards-for-accredited-registers.pdf?sfvrsn=cc2c7f20\\_6](https://www.professionalstandards.org.uk/docs/default-source/accredited-registers/standards-for-accredited-registers/standards-for-accredited-registers.pdf?sfvrsn=cc2c7f20_6)

### Accreditation decisions in 2022/23

- 3.51 Reports of accreditation decisions can be found on our *Accreditation Decisions* webpage.<sup>15</sup>

### New applications

- 3.52 In August 2022 we accredited the British Psychological Society's (BPS) Wider Psychological Workforce Register.<sup>16</sup> The BPS is a representative body for psychology and psychologists in the UK. The roles on its Accredited Register include Psychological Wellbeing Practitioners, and other roles developed as part of NHS England's NHS Talking Therapies, for anxiety and depression programme (formerly known as Improving Access to Psychological Therapies). In addition to its new Accredited Register for the Wider Psychological Workforce, its members include Practitioner Psychologists, who are regulated by the Health and Care Professions Council (HCPC).
- 3.53 In January 2023, we accredited the UK-Society for Behaviour Analysis (UK-SBA).<sup>17</sup> The UK-SBA registers Behaviour Analysts (Bas). This work involves the application of methods and principles to design behavioural treatment programs aimed to improve outcomes in children and adults.
- 3.54 Both the BPS' Accredited Register, and the UK-SBA were accredited after the Accreditation Panel had initially adjourned and required the Registers to address further actions needed to meet the Standards. Both Registers were given a period of six months to address the actions.
- 3.55 In 2022/23 we continued to assess two new applications received in 2021/22. These were from the British Occupational Hygiene Society; a combined application from the British Association for Cognitive Behavioural Psychotherapy (BABCP) and Association for Rational Emotive Behaviour Therapy (AREBT); the Institute of Trichologists (and the National Council of Integrative Psychotherapists).
- 3.56 In June 2022, we received a full application for accreditation from Athena Herd, which registers Equine Facilitated Workers. The Register had provisionally met Standard One in February 2022.
- 3.57 In January 2023, we found that the Health Practice Associates Council provisionally met Standard One.<sup>18</sup> HPAC registers pre-hospital clinicians.
- 3.58 In February 2023 we received a new application for Standard One from the Society for Clinical Perfusion Scientists. Clinical Perfusion Scientists work as part of cardio-thoracic surgical teams and manage the heart-lung (cardiopulmonary bypass) machine during cardiopulmonary bypass procedures.

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<sup>15</sup> <https://www.professionalstandards.org.uk/what-we-do/accredited-registers/read-our-assessments/panel-decisions>

<sup>16</sup> [British Psychological Society - initial accreditation decision August 2022 \(professionalstandards.org.uk\)](https://www.professionalstandards.org.uk/docs/default-source/accredited-registers/panel-decisions/initial-accreditation-report-for-the-bps-wider-psychological-workforce-register-august-2022)

<sup>17</sup> [Initial Accreditation Report for the UK Society for Behaviour Analysis \(professionalstandards.org.uk\)](https://www.professionalstandards.org.uk/docs/default-source/accredited-registers/panel-decisions/initial-accreditation-report-for-the-uk-society-for-behaviour-analysis)

<sup>18</sup> [https://www.professionalstandards.org.uk/docs/default-source/accredited-registers/panel-decisions/accredited-registers-standard-one-assessment-hpac.pdf?sfvrsn=f77e4b20\\_3](https://www.professionalstandards.org.uk/docs/default-source/accredited-registers/panel-decisions/accredited-registers-standard-one-assessment-hpac.pdf?sfvrsn=f77e4b20_3)

### **Renewal assessments**

- 3.59 We carried out 18 annual checks in 2022/23. Three of these resulted in Targeted Reviews. A Targeted Review is an in-depth review into one or more Standards, which can be triggered by significant changes or concerns being identified at an annual check, or through our Share Your Experience (SYE) process.
- 3.60 We carried out a Targeted Review into the Christians in Counselling and Linked Professions, which resulted in two Conditions. These Conditions were met in January 2023. We also carried out a Targeted Review of Play Therapy UK, which resulted in four Conditions. As at 31 March 2023, a targeted review of the Academy for Healthcare Science was underway.
- 3.61 We completed full renewal assessments for the British Acupuncture Council, British Psychoanalytical Council and Joint Council for Cosmetic Practitioners. As at the end of March 2023, the full renewal assessments for the UK Association for Humanistic Psychology Practitioners and the Human Givens Institute were underway.
- 3.62 The table below shows the full list of Accredited Registers, and the number of conditions and recommendations, that were in place on 31 March 2023.

<b>Accredited Register</b>	<b>Last assessment</b>	<b>Assessment type</b>	<b>Conditions<sup>19</sup></b>	<b>Recommendations<sup>20</sup></b>
Academy for Healthcare Science	March 2023	Annual check	0	0
Alliance of Private Sector Practitioners	October 2022	Annual check	0	1
Association of Child Psychotherapists	July 2022	Annual check	0	0
Association of Christian Counsellors	June 2022	Annual check	2	0
British Acupuncture Council	April 2022	Full assessment	0	8
British Association for Counselling & Psychotherapy	September 2022	Annual check	0	3
British Association of Play Therapists	March 2023	Annual check	0	0

<sup>19</sup> Conditions are changes that must be made within a specified timeframe to maintain accreditation.

<sup>20</sup> Recommendations are actions that would promote good practice but do not have to be completed to maintain accreditation

British Association of Sports Rehabilitators and Trainers	December 2022	Annual check	0	0
British Psychoanalytical Council	April 2022	Full assessment	2	6
British Psychological Council's Wider Psychological Wellbeing Register	August 2022	Initial accreditation	7	22
Complementary and Natural Healthcare Council	December 2022	Annual check	1	0
Counselling & Psychotherapy in Scotland (COSCA)	June 2022	Annual check	0	0
Human Givens Institute	March 2023	Full assessment	0	0
International Federation of Aromatherapists	May 2022	Annual check	0	0
Joint Council for Cosmetic Practitioners	March 2023	Full assessment	1	9
National Counselling Society/National Hypnotherapy Society	December 2022	Annual check	0	0
Play Therapy UK	November 2022	Annual check	4	0
Register of Clinical Technologists	January 2023	Annual check	0	0
Rehabilitation Workers Professional Network	March 2023	Annual check	12	24
Save Face	March 2023	Annual check	0	0
UK Association for Humanistic Psychology Practitioners	March 2023	Full assessment	0	0

UK Board of Healthcare Chaplaincy	November 2022	Annual check	0	3
UK Council for Psychotherapy	January 2023	Annual check	0	0
UK Public Health Register	March 2023	Annual check	0	0
UK-Society for Behaviour Analysis	January 2023	Initial accreditation	2	8

### ***Safeguarding and criminal records checks***

- 3.63 To date, Accredited Registers have experienced challenges in accessing criminal record checks for their registrants. This has meant a gap in checks for registrants who are self-employed and not having these checks undertaken by employers. Criminal record background checks are an important part of safeguarding measures to protect patients and the public. They are conducted by different agencies, depending on where in the UK the work is being carried out. Employers are the main route for the checks taking place. Although the regulators and Accredited Registers are not employers, some undertake criminal records checks for self-employed registrants.
- 3.64 In June 2022, we completed a pilot scheme<sup>21</sup> aimed at addressing the current gap in checks of self-employed Accredited Register practitioners. A small, randomly selected, sample of self-employed practitioners on the Association of Child Psychotherapist's Register participated. The pilot helped to determine the practical arrangements for Accredited Registers to access enhanced Disclosure and Barring Scheme (DBS) checks, with a check of the children's barred list, for self-employed registrants.
- 3.65 From 16 November 2022 to 7 February 2023, we ran a public consultation to seek views on whether to widen these checks in future by introducing new requirements for Accredited Registers within our Standards. We received over 360 responses to the consultation from a wide range of stakeholders including registrants, Accredited Registers, people who have experienced a criminal record, and patients and the public.
- 3.66 The Government's Independent Review into the Disclosure and Barring Regime was announced in February 2022 and published its findings in April 2023. Both the findings of this review, and our own consultation, will inform decisions on next steps with this work.

### ***A new Equality, Diversity and Inclusion Standard***

- 3.67 As part of our commitment to supporting and promoting EDI we developed a new, dedicated EDI Standard to the *Standards for Accredited Registers*. We

<sup>21</sup> <https://www.professionalstandards.org.uk/what-we-do/accredited-registers/accredited-registers-safeguarding-pilot>

sought views on introducing this Standard from 25 November 2022 to 17 January 2023 through a public consultation.<sup>22</sup>

- 3.68 We received 95 responses from a range of stakeholders. Overall, responses clearly supported the introduction of the new Standard as a way to achieve consistency within EDI across the programme and use the collective reach of the Accredited Registers and the Authority to help tackle inequalities within the wider health and care system.
- 3.69 We adjusted the timeframe for implementation in response to suggestions from the respondents and made some revisions to our minimum requirements. The new EDI Standard (Standard 9) will be introduced in 2023-24.

### ***Raising awareness and recognition***

- 3.70 In line with government policy, we promote the message that when choosing practitioners working in unregulated roles, the public, employers and others should choose practitioners on Accredited Registers, wherever possible, to help them make an informed choice and benefit from the increased protection it offers.
- 3.71 We continue to work to raise awareness of the programme, the benefits and why it's important to use practitioners registered under the umbrella of the Accredited Registers programme. We promote the Quality Mark – a clear sign that someone is accredited and has met our standards. We regularly use our blog and social media channels to promote the programme and highlight work undertaken by colleagues.
- 3.72 This year, we have developed our relationships with key bodies within the health and care system with the aim of raising awareness and recognition of the programme. For example, we launched a joint survey for registrants with NHS Professionals, to offer flexible working opportunities.
- 3.73 The Check a practitioner (CAP)<sup>23</sup> facility on our website allows all stakeholders to search for a register, or a practitioner working in a specific role. Use of the CAP search tool continues to rise month on month, indicating it is a valuable resource.
- 3.74 Our stakeholder engagement has increased during this year and we have created valuable relationships with organisations in the healthcare sector which will support our communications work in the coming year.

### **Equality, Diversity and Inclusion**

- 3.75 In April 2022 the Authority published its first EDI (equality, diversity and inclusion) action plan to help embed EDI into our work and culture. The plan had three objectives intended to drive forward our vision of becoming an exemplar in EDI within regulation. These were:

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<sup>22</sup> [https://www.professionalstandards.org.uk/docs/default-source/accredited-registers/consultation/2022-ar-edi-consultation/consultation-on-strengthening-our-approach-to-equality-diversity-and-inclusion-with-accredited-registers-2022.pdf?sfvrsn=3b2c4b20\\_7](https://www.professionalstandards.org.uk/docs/default-source/accredited-registers/consultation/2022-ar-edi-consultation/consultation-on-strengthening-our-approach-to-equality-diversity-and-inclusion-with-accredited-registers-2022.pdf?sfvrsn=3b2c4b20_7)

<sup>23</sup> [www.checkapractitioner.com](http://www.checkapractitioner.com)

1. We will develop our capability so that we have the knowledge and understanding to lead by example in creating an empowering and inclusive culture and promoting diversity in our decision-making.
  2. We will promote an inclusive workplace culture where everyone feels empowered, engaged and valued.
  3. We will use our influence to encourage the promotion and progression of EDI across health and social care regulators and Accredited Registers.
- 3.76 The key outcomes we achieved this year include:
- Development of a new EDI Standard for the Accredited Standards in consultation with Accredited Registers
  - Delivery of an editorial programme celebrating and marking key national EDI events for the year
  - EDI analysis of workforce data to identify and implement key actions to address under-representation
  - In the process of establishing a work experience scheme to enable students from under-represented groups to gain experience of the Authority's work
  - Recruitment of an Associate non-executive Board member.
- 3.77 In January 2023 an internal audit on EDI reviewed the Authority's arrangements in place to deliver the EDI action plan and support positive improvement in EDI within the Authority and externally. Findings from the audit will help inform the 2023-24 EDI Action Plan.

## *IT*

- 3.78 In the 2022/23 year we completed a cloud transformation project that involved us transitioning from a traditional and aging on-premises IT Infrastructure to a fully modern managed and cloud first approach environment. It included the migration of all existing hardware infrastructure and services such as servers, virtual desktops, data backups and telephony to a Microsoft 365 and Azure cloud-based environment, enabling enhanced scalability, security, and cost efficiency that is suited to the modern way of working. The cloud adoption was split into different workstreams and completed within five months.

## *Financial summary*

- 3.79 Our operating income for 2022/23 comprised of £4.6 million in fees paid by the regulators and £0.68 non-fee income. In 2021/22 our funding was £4.5 million fees raised from the regulators and £0.724m non-fee funding.
- 3.80 At 31 March 2023, we carried forward total reserves of £2.4 million, of which £0.7 million were unrestricted and £1.7 million restricted (2021/22: £2.6 million in total, £0.7 million unrestricted and £1.9 million restricted), after a net operating deficit of 0.166 million (2021/22: net operating surplus of £0.287 million). We returned £0.1 million to the regulators in the 2023/24 business planning exercise (£0.216 million in 2022/23). Net operating expenditure for 2022/23 is calculated net of fees received from the regulators, which is recorded as income in accordance with IFRS 15.

3.81 During the year ending 31 March 2023, we generated a deficit that decreased our reserve position by £0.166 million.

3.82 A description of accounting policies is shown in note 1 to the accounts.

### **Transparency**

3.83 The Authority is committed to the provision of information to the public.

3.84 Our creditor payment policy is maintained in accordance with the government's Better Payment Policy, which currently provides for payment of suppliers within five working days of receipt of invoice, except where there may be a query or dispute regarding an invoice.

3.85 This target is challenging, especially for a small organisation like ours, and could only be achieved if we employed more staff. Accordingly, we aim to pay 60% of undisputed invoices within five days and 100% within 10 days.

3.86 During the 2022/23 financial year, 100% of invoices were paid in 10 days and 84% (by number of invoices) and 75% (by total invoice value) within five days. Details of our payment record can be found on our website.<sup>24</sup>

3.87 No interest was paid under the Late Payment of Commercial Debts (Interest) Act 1998.

3.88 The balance owed to trade payables as at 31 March 2023 was £40,669 (2021/22: £30,349). As a proportion of the total amount invoiced by suppliers in the year, this is equivalent to 8.49 days (2021/22: 7.71 days).

3.89 Other information that can be found in the government disclosure and transparency sections of our website include:

- Expenditure over £25,000
- Board member expenses
- Executive team expenses
- Hospitality.

### **Sustainability**

3.90 Due to our size, we are not required to provide a sustainability report. We nevertheless do seek to minimise the impact of our activities on the environment.

### ***Buckingham Palace Road (1 April 2022 – March 2023)***

3.91 Our office was refurbished, before we became tenants, in accordance with the BREEAM environmental assessment standard, which looks at heating, lighting, recycling and other matters, and has an 'excellent' rating.

3.92 We occupied 2.58% of the building.

3.93 Rainwater was collected and used to supply the sanitary facilities, reducing our clean water consumption.

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<sup>24</sup> [www.professionalstandards.org.uk/about-us/ask-us-for-information/government-disclosure/payment-statistics](http://www.professionalstandards.org.uk/about-us/ask-us-for-information/government-disclosure/payment-statistics)

- 3.94 Our offices had facilities to separate waste for recycling, and to encourage staff to do this, no waste was collected from bins at desks. Waste was separated into recyclable, non-recyclable and food waste. A contractor separated the mixed recyclables. No waste went to landfill. Waste that could not be recycled was incinerated. The cost of all waste disposal was included in our building service charges.
- 3.95 Our gas and water consumption were calculated as 2.58% of the building total. Our electricity was separately monitored and the consumption for the space rented from the landlord is known. Our consumption for 2022/23 and the previous year is set out below.

	2022/23	2021/22
<b>Gas</b>	3,724kWh	4,083kWh
<b>Electricity</b>	51,703kWh	49,320kWh
<b>Water</b>	67.54 m <sup>3</sup>	44.13 m <sup>3</sup>
<b>Waste removed</b>	1.56 tonnes	1.08 tonnes

- 3.96 All electricity used is from 100% renewable sources from EDF Energy (confirmed by the Carbon Trust).

#### *New Bridge Street (from March 2023)*

- 3.97 The building has an Energy Performance Certificate rated B, in accordance with the Minimum Energy Efficiency Standards (MEES), the property is considered compliant.
- 3.98 Our office cleaning and recycling is carried out by Greenzest. Greenzest have been carbon neutral since 2021. They use sustainable methods of delivering cleaning products and consumable items and are introducing electrical delivery vehicles. They have partnered with BioHygiene who produce plant-based cleaning agents which are both effective and environmentally friendly.
- 3.99 We have implemented facilities to separate waste for recycling, and to encourage staff to do this, no waste is collected from bins at desks. Waste is separated into recyclable, non-recyclable and food waste. Our contractor, Greenzest, separates the mixed recyclables. No waste goes to landfill. Waste that cannot be recycled is incinerated.
- 3.100 We do not yet have any gas or water consumption data for this site.
- 3.101 We seek to minimise the impact of our own activities on the environment. When equipment is purchased, consideration is given to energy consumption. We use recycled materials where such alternatives are available and provide value for money.
- 3.102 We continue to seek to reduce the use of paper by maximising the use of our intranet and website for the dissemination of information. We are also using electronic versions of meeting papers where technically practical. Where paper is used, we look to reduce its consumption through the active management of printers requiring double-sided printing.

#### **Human rights**

- 3.103 We are committed to respecting human rights as embodied in the Universal Declaration of Human Rights and its two corresponding covenants, The

International Covenant on Civil and Political Rights and The International Covenant on Economic, Social, and Cultural Rights.

- 3.104 We endeavour to ensure that we do not infringe on human rights, avoid complicity in the human rights abuses of others, and comply with the laws of the countries in which we work.

#### **Anti-corruption and anti-bribery**

- 3.105 We are committed to conducting our work in an honest and ethical manner. In accordance with the Bribery Act 2010 we operate governance by implementing and enforcing robust policies and procedures to guard against any illegal behaviour.
- 3.106 Our whistleblowing policy is reviewed annually by our Audit and Risk Committee and our message to our staff is that any issues raised will be treated with the utmost importance.
- 3.107 Following a workshop on Anti-Fraud, Anti -Bribery and Corruption in May 2022, we conducted a full review of our Anti-Fraud, Anti -Bribery and Corruption policy. The first step was to carry out a risk assessment of the high-risk business areas including areas such as procurement. We liaised with our internal auditors, who provided helpful suggestions on the key sections required in any robust policy. The revised policy was approved by Audit and Risk Committee in February 2023 and went live in March 2023.

#### **Risk**

- 3.108 Details of this can be found in paragraphs 4.23 to 4.26.

## 4. Accountability report

### Corporate governance report

4.1 Our governance arrangements are set out in a formal Governance Framework that details the various roles and responsibilities within the Authority.

#### Directors' report

4.2 We have an executive team as shown below, covering our three areas of work: Corporate Services; Scrutiny and Quality; and Standards and Policy.

4.3 A register of Executive<sup>25</sup> and Non-Executive<sup>26</sup> interests is available on our website.

4.4 Directors are members of staff and are paid in accordance with staff policies.

Alan Clamp	Chief Executive
Jane Carey	Director of Corporate Services
Mark Stobbs	Director of Scrutiny and Quality
Christine Braithwaite	Director of Standards and Policy

#### *The Authority's Board*

4.5 The Authority's Board comprises seven non-executive members and one executive member. No non-executive members of our Board may be or ever have been a member of a profession regulated by any of the 10 regulators we oversee so that we are independent of the health and social care professions and regulators. In May 2022, for the first time, we appointed an Associate Board member on a two-year term.

4.6 The Board is the Authority's highest decision-making forum, where significant strategic and operational matters are discussed, and consequential decisions taken.

4.7 The Authority's Board has corporate responsibility for ensuring that it fulfils its statutory duties and for promoting the efficient and effective use of its resources.

4.8 To this end, and in pursuit of its wider corporate responsibilities, the Board:

- Sets the overall strategic direction of the Authority within statute and the policy and resources framework
- Ensures that any statutory or administrative requirements for the use of public funds are complied with; that the Authority operates within the limits of its statutory authority, and in accordance with any other conditions relating to the use of public funds

<sup>25</sup> [management-team-register-of-interests-2016.pdf \(professionalstandards.org.uk\)](#)

<sup>26</sup> [board-register-of-interests.pdf \(professionalstandards.org.uk\)](#)

- Ensures that the Authority receives and reviews regular financial information concerning the management of the Authority; is informed in a timely manner about any concerns about the activities of the Authority; and provides positive assurance that appropriate action has been taken on such concerns
  - Demonstrates high standards of corporate governance at all times, including establishing an audit committee to help the Authority to address the key financial and other risks facing it
  - Appoints the Chief Executive to the Authority and, sets performance objectives and remuneration terms linked to these objectives for the Chief Executive, which give due weight to the proper management and use of public monies.
- 4.9 Appointments to the Board are made for an initial term of four years, which can be extended for a second term. The total time served should not exceed eight years.
- 4.10 Schedule 7 of the National Health Service Reform and Health Care Professions Act 2002, as amended by the Health and Social Care Act 2008 and by the Health and Social Care Act 2012, provides directions for the appointment of members to the Authority.
- 4.11 Caroline Corby was appointed by the Privy Council as Chair on 1 February 2021.
- 4.12 Details of all Board appointments and who makes them are shown in the table below.
- 4.13 Details of the directorships and significant interests held by the Board are contained within the register of interests held on our website.<sup>27</sup>

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<sup>27</sup> [www.professionalstandards.org.uk/docs/default-source/board/board-register-of-interests.pdf](http://www.professionalstandards.org.uk/docs/default-source/board/board-register-of-interests.pdf)

### **Board members**

<b>Board member</b>	<b>Appointed by</b>	<b>Term</b>
Caroline Corby (Chair)	Privy Council	1 March 2021 to 28 February 2025
Antony Townsend	Privy Council (reappointed 2019)	1 January 2015 to 31 December 2022
Frances Done CBE	Privy Council (reappointed 2021)	1 January 2017 to 31 December 2024
Renata Drinkwater	Privy Council (reappointed 2019)	1 January 2015 to 31 December 2022
Thomas Frawley CBE	Department of Health Northern Ireland (reappointed 2021)	1 January 2017 to 31 December 2024
Moiram Ali	Scottish Ministers (reappointed 2021)	1 January 2017 to 31 December 2024
Marcus Longley	Welsh Ministers (reappointed 2021)	1 May 2017 to 30 April 2025
Alan Clamp	Authority's Board (2018)	N/A Executive member
Amrat Khorana (Associate)	Authority's Board	2 May 2022 to 1 May 2024
Juliet Oliver	Privy Council	1 January 2023 to 31 December 2026
Nick Simkins	Privy Council	1 March 2023 to 28 February 2027

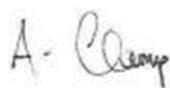
4.14 The Chief Executive is an employee of the Authority. The Chief Executive's principal functions, duties and powers are:

- To ensure the Authority fulfils its statutory duties
- To prepare and issue standards of good regulation
- To arrange for the publication of policy advice and guidance
- To send to Parliament an annual report on the performance of the regulators we oversee
- To keep proper accounts and proper records in relation to the accounts, to prepare a statement of accounts in respect of each financial year, and to send a copy of the annual accounts to the Comptroller and Auditor General and for these to be prepared in accordance with ISA, FReM and government accounting
- To operate and manage the Authority in accordance with the strategy set by the Board.

4.15 The Chief Executive has responsibility for providing effective leadership on all matters relating to statutory and administrative duties. This includes the implementation of the strategy, leading on all operational matters, promoting the efficient and effective use of staff and other resources, encouraging high standards of propriety and representing the Authority in public.

## Statement of Accounting Officer's Responsibilities

- 4.16 The Privy Council has appointed the Chief Executive as Accounting Officer. His relevant responsibilities as the Accounting Officer include his responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper records. Although we are not a Non-Departmental Public Body he takes into consideration the principles set out in the Non-Departmental Public Bodies' Accounting Officers' Memorandum issued by HM Treasury and published in 'Managing Public Money'.
- 4.17 Under Schedule 7, Paragraph 15 of the National Health Service Reform and Health Care Professions Act 2002, as amended by the Health and Social Care Act 2008 and the Health and Social Care Act 2012 the Privy Council has directed the Professional Standards Authority to prepare for each financial year a statement of accounts in the form and on the basis of the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Professional Standards Authority and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.
- 4.18 In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:
- Observe the Accounts Direction issued by the Privy Council, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
  - Make judgements and estimates on a reasonable basis
  - Prepare the accounts on a going concern basis
  - State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts
  - Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take responsibility for the Annual report and Accounts and the judgements required for determining that it is fair, balanced and understandable.
- 4.19 As the Accounting Officer, I have taken all the steps I ought to have taken to make myself aware of any relevant audit information and to establish that the Professional Standards Authority auditors are aware of that information. So far as I am aware there is no relevant audit information of which the auditors are unaware.



Alan Clamp  
Accounting Officer  
21 June 2023

# Governance statement

## *Scope of responsibility*

- 4.20 As Accounting Officer to the Authority, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Authority's policies, aims and objectives, while safeguarding the funds and organisational assets for which I am personally responsible. I pay close attention to the guidance set out in Managing Public Money.
- 4.21 The Authority reports to the UK Parliament and works closely with the devolved administrations in Northern Ireland, Scotland and Wales, the Department of Health and Social Care in England, and the Department for Education to deliver our statutory obligations and the key objectives of our business plan. This includes identifying and responding appropriately to both internal and external risks.

## *Compliance with HM Treasury's corporate governance code*

- 4.22 We have complied with HM Treasury's Corporate Governance Code in so far as it is applicable to us.

## *Risk management approach and Risk register*

- 4.23 The Directors Group reviews the strategic risk register monthly. The updated register is considered by the Audit and Risk Committee (ARC) and thereafter by the Board. Risks are added, updated or deleted outside of this process when the need arises.
- 4.24 The most significant risks for 2022/23 related to
- Fitness to Practise backlogs, in particular that they could compromise regulatory effectiveness and therefore reduce public protection
  - Regulatory reform and in particular the risk that it is implemented poorly, subsequently reducing the effectiveness of regulation.
- 4.25 The Directors Group develops and maintains the internal control framework and provides assurance to the Audit and Risk Committee, which in turn provides strategic advice to the Board, where overall responsibility is held that the Authority's arrangements are effective.
- 4.26 The key elements of the system of internal control include:
- Financial procedures detailing financial controls, the responsibilities of and authorities delegated to the Directors Group
  - Business planning processes setting out the objectives of the Authority supported by detailed annual income, expenditure, capital and cash flow budgets
  - Regular reviews of performance along with variance reporting, scenario planning and re-forecasting
  - The assurance framework.

### ***Assurance framework***

- 4.27 The Assurance Framework is the means of assuring the Board members about the operation of the Authority.
- 4.28 The Framework is set out in terms of the three lines of defence model. The framework is structured around those areas of good governance that will always require assurance, as opposed to the Board's annual objectives which will continually evolve.
- 4.29 The means of assurance listed are inputs from which the Board makes a judgement about their level of assurance. The framework does not aim to be an exhaustive list or tool for the executive to undertake operations.

### ***Chair of the Board***

- 4.30 The Chair has a leadership responsibility on the following matters:
- Leading the Board in formulating our strategy
  - Ensuring that the Board, in reaching decisions, takes proper account of any relevant guidance
  - Promoting the efficient, economic, and effective use of resources, including staff
  - Encouraging high standards of propriety
  - Ensuring that the Board meets at regular intervals throughout the year and that the minutes of meetings accurately record the decisions made and, where appropriate, the discussions of the Board
  - Ensuring that the work of the Authority is reported annually to Parliament as required by Statute.

### ***Attendance at Board meetings held in public***

4.31 There were six Board meetings held in public between 1 April 2022 and 31 March 2023.

4.32 Members' attendance at Board meetings during 2022/23 was as follows:

<b>Board member</b>	<b>Number of meetings attended</b>	<b>Possible</b>
Caroline Corby (Chair)	6	6
Antony Townsend	4	4
Frances Done CBE	6	6
Renata Drinkwater	4	4
Thomas Frawley CBE	5	6
Moiram Ali	5	6
Marcus Longley	6	6
Alan Clamp	6	6
Amrat Khorana	5	6
Juliet Oliver	2	2
Nick Simkins	0	1

4.33 During the year under review, the Board was active in ensuring that our statutory functions were maintained and that the risks we were encountering were being addressed. It achieved this by effective use and monitoring of the risk register and assurance framework and by remaining vigilant about the quality of our outputs.

4.34 The Board is confident that it continues to receive appropriate, complete and relevant reports from the executive to ensure that it can fulfil its strategic role and can hold the executive to account. Quality assurance is provided by the Scrutiny Committee and the Audit and Risk Committee which report to the Board. The Board also reviews all key policy papers and reports before publication to ensure they meet the high standards it expects. The Board receives finance reports at every meeting and reviews the risk register twice a year.

4.35 The Board pays particular attention to the conduct of the Authority's investigations and special reviews and carefully assures itself of the quality of the final reports.

4.36 The Board plays an important role in establishing the strategic direction for the Authority and considers this and related issues at its annual planning event.

4.37 The Board also reviews its own performance as part of its strategic planning. In the last quarter of 2022/23, an external review of the Board's effectiveness was commissioned. The findings were very positive. The review found that the Board and its committees were operating effectively and made a number of recommendations for further improvements.

- 4.38 Maintaining the quality of our work is an important consideration for the Board. It contributes to publications and reports prior to publication and takes a close interest in research and policy development.
- 4.39 The Board also reviews information it receives about the Authority's performance from external parties including the statutory regulators, the Accredited Registers, the Departments of Health in England, Scotland, Wales and Northern Ireland and the Department for Education in England.
- 4.40 All members of the Board are appraised annually by the Chair and are able to comment on the performance of both the Chair and the Chief Executive. The Chair is appraised by the Deputy Chair, making use of feedback from Board members, senior members of staff and external stakeholders.
- 4.41 The detail of quality assurance is delegated to the Scrutiny Committee and to the Audit and Risk Committee. We report on their activities separately. The Terms of Reference for the two committees are reviewed annually.

### *Committees and working groups of the Board*

#### *Audit and Risk Committee*

- 4.42 The Board has an Audit and Risk Committee to support it in its responsibilities for risk control and governance. The committee reviews the comprehensiveness of assurances in meeting the Board's and Accounting Officer's assurance needs and reviewing the reliability and integrity of these assurances.
- 4.43 Four Audit and Risk Committee meetings were held between 1 April 2022 and 31 March 2023.
- 4.44 Members' attendance at committee meetings during 2022/23 was as follows:

<b>Committee member</b>	<b>Number of meetings attended</b>	<b>Possible</b>
Frances Done CBE	4	4
Moiram Ali	4	4
Tom Frawley	4	4
Amrat Khorana	3	4

- 4.45 The minutes of the Committee's meetings are formally reported to the Board, as is the Committee's opinion on the risk register and the changes made to it.
- 4.46 The Committee reviews its Terms of Reference and work programme annually and reports any changes that it proposes to the Board. Each year, it formally reports to the Board on:
- Its work during the previous financial year
  - The assessment of information governance arrangements
  - The internal audit reports submitted to it
  - The views and opinions of the auditors.
- 4.47 The Committee sets its own work programme for the coming year and this influences the work programme set by the internal auditors.

- 4.48 Typically, the Board delegates final approval of the Annual Report and Accounts to this Committee.

### **Internal audit**

- 4.49 RSM were our internal auditors for 2022/23.
- 4.50 The internal audit work this year focused on:

- EDI action plan
- Payroll
- IT governance and cyber security
- Performance reviews

### **EDI Action Plan**

- 4.51 This review received Reasonable Assurance. Two medium priority recommendations were made around ways to measure and promote staff engagement. Both recommendations are being implemented.

### **Payroll**

- 4.52 This review received Reasonable Assurance. One Medium and two Low priority recommendations were made around improving the new starter form and leaver checklists. These recommendations have already been implemented.

### **Performance review**

- 4.53 This review received Reasonable Assurance. One Medium and one Low priority recommendation were made. The medium recommendation was in relation to sharing lessons learned more widely. The low recommendation was to carry out training needs analysis. These recommendations will all be in place by June 2023.

### **IT Governance and Cyber Security**

- 4.54 The review received Partial Assurance. Three High, Five Medium and Five Low priority recommendations were made. The High level recommendations were around Architecture and Configuration, Vulnerability Management and Data Security. These will all have been addressed by the end of June 2023.

### **Scrutiny Committee**

- 4.55 The Scrutiny Committee receives reports on the operation of our scrutiny and oversight of the 10 health and social care professional regulators and provides quality assurance of Section 29 decisions and the Accredited Registers programme and the performance reviews of the regulators.
- 4.56 Four Scrutiny Committee meetings were held between 1 April 2022 and 31 March 2023.

4.57 Members' attendance at committee meetings during 2022/23 was as follows:

Committee member	Number of meetings attended	Possible
Antony Townsend	3	3
Renata Drinkwater	2	3
Marcus Longley	4	4
Moiram Ali	1	1
Juliet Oliver	1	1

#### ***Appointments to regulators' councils***

4.58 At all four meetings, the Scrutiny Committee considered reports on recent activity and developments. The Committee also received a report on the annual appointments seminar, held in January 2023. The seminar had a focus on the work regulators are doing in this area in relation to EDI, plus potential conflicts of interest of applicants and Council/Board members.

#### ***Review of final fitness to practise decisions (the Authority's Section 29 jurisdiction)***

4.59 At each meeting, the Scrutiny Committee received an update on the progress of appeals and the current caseload of the team. The Committee reviewed settled consent order cases at one meeting as part of its oversight role. The Committee agreed that the Section 29 team's processes had been sound and achieved results that were sufficient to protect the public. At its February 2023 meeting, the Committee reviewed its role in quality assurance and oversight of processes. An updated process is being developed with a view for implementation in 2023.

#### ***Annual performance review of regulators***

4.60 The Scrutiny Committee received regular reports on the progress of Performance Reviews. The Committee has also received regular reports on the implementation of the new approach to performance reviews, which it is satisfied with.

4.61 During the year, the Committee reviewed the performance review team's approach to assessing regulators' performance in relation to fitness to practise timeliness. The Committee has been concerned about the number of regulators not meeting the relevant Standard and sought assurance that the team was doing all it could to seek improvement.

#### ***Accredited Registers***

4.62 The Scrutiny Committee carried out its scrutiny of the Accredited Registers programme. It received progress updates on applications going through initial assessment, annual reviews of accreditation and notifications of change.

- 4.63 The Committee oversaw the implementation of changes arising from strategic review of the Accredited Registers programme. It also considered the findings of a 'deep dive' into decisions made under the new processes.
- 4.64 The Committee was also kept informed about the communications activities and engagement with stakeholders to raise awareness of the programme, and new risks that could affect the programme identified through horizon scanning.

### **Finance Committee**

- 4.65 The Finance Committee was established in May 2020 to provide support, advice and recommendations to the Board and Accounting Officer in relation to three major projects as well as generally advise on the Board's responsibilities for finance matters (both capital and revenue). The Committee was wound up in December 2022, as the major projects it had been set up to oversee were delivered successfully. Other matters overseen by the Finance Committee have been absorbed into the work of other committees and the Board itself.
- 4.66 Three Finance Committee meetings were held in 2022/23.
- 4.67 Members' attendance at committee meetings during 2022/23 was as follows:

<b>Committee member</b>	<b>Number of meetings attended</b>	<b>Possible</b>
Renata Drinkwater	3	3
Frances Done	3	3
Antony Townsend	3	3

### **Pension scheme regulations**

- 4.68 As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments to the scheme are in accordance with the rules and that member pension scheme records are accurately updated in accordance with the timescales detailed in the regulations.

### **Data handling**

- 4.69 Our system of internal control is based on the HMG Security Policy Framework and we continue to monitor and review our compliance with it.
- 4.70 We hold little personal information. The main type of personal data we hold relates to our own staff. Staff are required to work through remote access to our server and multi factor authentications are in place to provide another layer of security.
- 4.71 Staff continue to undertake a combination of the government's 'Protecting Information' online training and the Authority's internal information security training. The 'Protecting Information' training is assessment-based.

- 4.72 All staff are required to complete the level appropriate to their level of responsibility for data-handling. All staff completed the training in 2022/23.
- 4.73 The Audit and Risk Committee Chair has provided a statement that she was satisfied that we have appropriate policies for staff to adhere to, as far as they apply to the Authority, and that suitable processes are in place to mitigate risks to our information.
- 4.74 This statement has been prepared following consideration of the Authority's Annual Assessment of Information Risk Management for 2022/23 and the assurance provided by it.
- 4.75 One personal data incident was reported this year to the Information Commissioners Office (ICO).
- 4.76 The ICO investigated the matter and concluded that all appropriate steps had been taken and the breach had been recognised and reported quickly to them therefore they concluded that no further action was required.

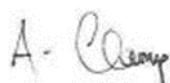
### **The purpose of the system of internal control**

- 4.77 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 provide reasonable but not absolute assurance of effectiveness.
- 4.78 The system of internal control is designed to identify and prioritise the risks to the achievement of organisational 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.
- 4.79 Our system of internal control has been in place for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts and accords with HM Treasury guidance. The key elements of the system of internal control include:
- Financial procedures detailing financial controls for responsibilities of, and authorities delegated to, the management team
  - Business planning processes setting out the objectives of the Authority supported by details of annual income, expenditure, capital and cash flow budgets
  - Regular reviews of performance along with variance reporting, scenario planning and reforecasting.

### **Review of effectiveness**

- 4.80 As Accounting Officer, I am responsible for reviewing the effectiveness of the system of internal control. My review is informed by the work of the internal auditors, the Directors Group, which has responsibility for the maintenance of the internal controls, and comments made by the external auditors in their management letter and other reports. The Audit and Risk Committee and Board have advised me on the implications of the result of my review on the system of internal control.

- 4.81 The effectiveness of the system of internal control was maintained and reviewed through:
- The Board of the Authority, which met six times
  - The Audit and Risk Committee, which consists of three members of the Board. I also attend the Audit and Risk Committee meetings together with the Director of Corporate Services and the Head of Finance. Representatives of the National Audit Office and our internal auditors are also present
  - Risk management arrangements identify which key risks could affect the achievement of our objectives and those risks have been managed actively, with progress being reported to the Audit and Risk Committee and, through it, to the Board of the Authority
  - Our annual assessment of information risk management undertaken in accordance with the Cabinet Office's guidance
  - Regular reports from the internal auditors, RSM, complying with the government's Internal Audit Standards
  - Comments made by external auditors, the NAO, in their management letter and other reports.
- 4.82 RSM have been our internal auditors for the year under review. The Head of Internal Audit in his report for 2022/23 stated that: 'The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective'.
- 4.83 I do not consider that we have significant weaknesses in our system of internal controls. A programme of regular monitoring exists, in consultation with the Audit and Risk Committee, internal auditors and external auditors, to ensure that we meet best practice standards in all areas of our operations.
- 4.84 Our Assurance Framework is monitored along with the risk register by the Directors Group, the Audit and Risk Committee and the Board. External and internal influences are considered, and any potentially significant risks are discussed with key stakeholders as soon as they become apparent. The Audit and Risk Committee has reviewed our assurance framework during the year to ensure it provides an appropriate level of assurance to the Committee and the Board.
- 4.85 I am satisfied that the annual assessment of information risk management adequately reflects the information risks we have managed and that we have considered future risks. I consider that we have taken the actions necessary to manage information risks effectively. I am confident that staff are aware of their responsibility to store, share and destroy information securely.



Alan Clamp  
Accounting Officer  
21 June 2023

# Remuneration and staff report

## Remuneration policy

- 4.86 The Finance Committee dealt with staff remuneration until it was wound up in December 2022. Three Finance Committee meetings were held between 1 April 2022 and 31 December 2022.
- 4.87 The Nominations Committee deals with Board remuneration issues and since January 2023, staff remuneration. Three Nominations Committee meetings were held between 1 April 2022 and 31 March 2023.
- 4.88 Contracts are generally offered on a permanent basis. If they are offered on a fixed-term basis, this is to reflect the nature and context of the work involved. The notice period required is determined by the position of the post holder.

## Nominations Committee

- 4.89 The Nominations Committee ensures that the Authority has an appropriate Board membership by overseeing Board performance and recruitment.
- 4.90 Three Nominations Committee meetings were held between 1 April 2022 and 31 March 2023. Members' attendance is shown below.

Board member	Number of meetings attended	Possible
Caroline Corby	3	3
Frances Done CBE	3	3
Antony Townsend	3	3
Renata Drinkwater	3	3

## Senior managers' contracts<sup>28</sup>

Name	Title	Date of contract	Unexpired term	Notice period
Alan Clamp	Chief Executive	1 November 2018	Permanent contract	6 months
Jane Carey	Director of Corporate Services	11 January 2021	Permanent contract	3 months
Mark Stobbs	Director of Scrutiny and Quality	3 May 2016	Permanent contract <sup>29</sup>	3 months
Christine Braithwaite	Director of Standards and Policy	17 May 2010	Permanent contract	3 months

<sup>28</sup> Senior Civil Service Staff equivalent

<sup>29</sup> Retired 31 March 2023

### Senior managers' salaries<sup>30</sup>

Name	Salary 2022/23 £'000	Expenses payments (taxable) Total £000	Performance pay and bonuses £000	Long-term performance pay & bonuses £' 000	All pension-related benefits £' 000	TOTAL 2022/23 £'000
Alan Clamp	180-185	0	0	0	45	225-230
Jane Carey	100-105	0	0	0	25	125-130
Mark Stobbs	125-130	0	0	0	33	160-165
Christine Braithwaite	125-130	0	0	0	30	155-160

Name	Salary 2021/22 £'000	Expenses payments (taxable) Total £000	Performance pay and bonuses £000	Long-term performance pay & bonuses £' 000	All pension-related benefits £' 000	TOTAL 2021/22 £'000
Alan Clamp	175-180	0	0	0	43	220-225
Jane Carey	100-105	0	0	0	53	150-155
Mark Stobbs	120-125	0	0	0	31	155-160
Christine Braithwaite	120-125	0	0	0	29	150-155

The tables above have been audited by the Comptroller and Auditor General.

- 4.91 All senior managers in the year were members of the NHS Pension Scheme.
- 4.92 Total remuneration includes salary and all pension-related benefits calculated in accordance with the NHS Pensions guidance,<sup>31</sup> which seeks to quantify the increase in pension benefits in the year by comparing the overall pension benefits at the beginning of the year with those at the end of the year. There were no non-consolidated performance-related pay or benefits-in-kind in 2021/22 or 2022/23.

<sup>30</sup> Senior Civil Service Staff equivalent

<sup>31</sup> Disclosure of Senior Managers' Remuneration (Greenbury) 2015.

## Pensions

Name	Title	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at age 60 (bands of £2,500)	Total accrued pension at age 60 as at 31 March 2023 (bands of £5,000)	Lump sum at age 60 related to accrued pension as at 31 March 2023 (bands of £5,000)	Cash Equivalent Transfer Value as at 31 March 2022 (to the nearest £1,000)	Cash Equivalent Transfer Value as at 31 March 2023 (to the nearest £1,000)	Real increase in the Cash Equivalent Transfer Value during the reporting year (to the nearest £1,000)
Alan Clamp	Chief Executive	2.5-5	N/A*	15-20	N/A*	162	222	29
Jane Carey	Director of Corporate Services	0-2.5	N/A*	5-10	N/A*	49	78	14
Mark Stobbs	Director of Scrutiny and Quality	2.5-5	N/A*	15-20	N/A*	196	247	26
Christine Braithwaite	Director of Standards and Policy	0-2.5	0-2.5	30-35	95-100	N/A**	42	24

\* Not applicable in the 2008 and 2015 scheme.

\*\* Transition to new scheme 1/04/2022

This table has been audited by the Comptroller and Auditor General.

### Cash Equivalent Transfer Value

- 4.93 A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the members' accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another scheme or arrangement when the member leaves a scheme and chooses to transfer the benefit accrued in the former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.
- 4.94 The CETV figure – and from 2005-2006, the other pension details – include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS Pension Scheme. They also include

any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. A CETV is calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

- 4.95 CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

#### **Real increase/(decrease) in CETV**

- 4.96 This reflects the increase/(decrease) in CETV. It takes account of the increase in accrued pension due to inflation, contributions paid by the employer and employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.
- 4.97 No compensation has been paid to former senior managers or payments made to third parties for the services of a senior manager.
- 4.98 This information has been audited by the Comptroller and Auditor General.
- 4.99 No senior manager had expenses subject to UK tax.

#### **Authority Board members' remuneration**

- 4.100 The Chair receives remuneration of £34,874 pa (2021/22: £34,530 pa); Devolved Administration members receive annual remuneration of £10,100 pa (2021/22: £10,000), the Audit and Risk Committee Chair receives annual remuneration of £13,600 (2021/22: £13,465), the Scrutiny Committee Chair receives annual remuneration of £13,600 (2021/22: £13,465) and the Finance Committee Chair received annual remuneration of £13,600 (2021/22: £13,465). Other members receive annual remuneration of £8,159 pa. Members' remuneration during the year amounted to £117,852 (2021/22: £111,752) including social security costs.
- 4.101 Members' remuneration is subject to tax and national insurance through PAYE.
- 4.102 In addition, expenses amounting to £9,009 (2021/22: £3,027) were reimbursed to Board members. Travel expenses related to travel to the Authority's offices are subject to tax, which is paid by the Authority on their behalf, by agreement with HMRC.
- 4.103 Members' remuneration has been audited by the Comptroller and Auditor General.
- 4.104 Payments to individual members are disclosed below.
- 4.105 No Board members were members of the NHS pension scheme in 2022/23.

## Payments made to the Authority's Board members during 2022/23

	2022/23 Salary (bands of £5,000)	2022/23 Travel expenses (bands of £5,000)	2021/22 Salary (bands of £5,000)	2021/22 Travel expenses (bands of £5,000)
<b>Chair</b>				
Caroline Corby	30-35	0-5	30-35	0
<b>Members</b>				
Antony Townsend*	10-15*	0-5	10-15	0-5
Frances Done CBE (Audit and Risk Chair)	10-15	0-5	10-15	0-5
Renata Drinkwater**	10-15**	0-5	10-15	0
Thomas Frawley CBE	10-15	0-5	10-15	0-5
Moiram Ali	10-15	5-10	10-15	0-5
Marcus Longley	10-15	0-5	10-15	0-5
Amrat Khorana***	5-10***	0-5	N/A	N/A
Juliet Oliver ****	0-5****	0-5	N/A	N/A
Nick Simkins*****	0-5*****	0-5	N/A	N/A

\*Until 31/12/2022 (Full year equivalent 10-15)

\*\*Until 31/12/2022 (Full year equivalent 10-15)

\*\*\*From 03/05/2022 (Full year equivalent 5-10)

\*\*\*\*From 01/01/2023 (Full year equivalent 5-10)

\*\*\*\*\*From 01/03/2023 (Full year equivalent 5-10)

### Staff report

- 4.106 We are committed to enabling all employees to achieve their full potential in an environment characterised by dignity and mutual respect. Our employment policies seek to create a workplace in which all employees can give their best and can contribute to our and their own success. These are reviewed and updated with external specialists in order to ensure compliance with legislation.
- 4.107 We retain the services of Right Corecare, we have been recognised externally as a mindful employer and all our staff have access to assistance and counselling if required and a quiet room for reflective space.
- 4.108 We have achieved a London Healthy Workforce Award reflecting our commitment to the wellbeing of our staff and received Disability Confident Level 2 Accreditation.

- 4.109 We recognise the business benefits of having a diverse workforce and are committed to maintaining a culture in which diversity and equality are actively promoted and where discrimination is not tolerated. We operate a fair and open selection policy relating to applications for employment and internal promotion.
- 4.110 At the end of 2022/23, two members of the Executive Leadership Team were female (40%) (2021/22, 33%) while overall, 31 employees were female (73%) (2021/22, 69%).
- 4.111 Further information about the senior management team can be found in the Remuneration section of this report.
- 4.112 Our staff turnover this year was within our key performance indicator.

### Fair pay disclosures

- 4.113 The Authority is required to disclose the relationship between the remuneration of the highest paid director (in our case, the Chief Executive) and the employees on the 25<sup>th</sup>, 50<sup>th</sup> and 75<sup>th</sup> percentile of remuneration of the entity's employees for the financial year.
- 4.114 The Authority is also required to disclose
- The percentage change from the previous financial year in respect of the highest paid director (in our case, the Chief Executive)
  - The average percentage change from the previous financial year in respect of the employees of the entity taken as a whole (excluding Chief Executive).
- 4.115 The remuneration of the Chief Executive in the financial year 2022/23 was £182,500 (calculated as middle of the band) and £177,500 in the financial year 2021/22 therefore there has been 2.8% increase in remuneration of Chief Executive
- 4.116 The average percentage increase from the previous year in respect of the employees of the entity taken as a whole was 2.61% which is attributable to the Authority's reward and progression policy.
- 4.117 Pay ratio information in the year 2022/23 (and 2021/22) was as following:

Year	25 <sup>th</sup> percentile pay ratio	Median pay ratio	75 <sup>th</sup> percentile pay ratio
2022/23	3.80:1	3.42:1	2.63:1
2021/22	3.84:1	3.55:1	2.64:1

- 4.118 No PSA staff received performance pay or bonuses in 2022/23 (none in 2021/22), therefore total pay and benefits of staff (excluding pensions) are equal to the salary component of pay and benefits.
- 4.119 The remuneration of workforce on the 25<sup>th</sup> percentile was £47,984 (£46,189 in 2021/22) and £53,315 (£50,013 in 2021/22) and £69,310 (£67,304 in 2021/22) on the median and 75<sup>th</sup> percentile respectively.

- 4.120 The remuneration of the Chief Executive in the financial year 2022/23 was £182,500 (calculated as middle of the band) (£177,500 in 2021/22). This was 3.42 (3.55 in 2021/22) times the median remuneration of the workforce, which was £53,315 (£50,013 in 2021/22).
- 4.121 No employee received remuneration in excess of the Chief Executive in 2022/23 or 2021/22. Remuneration ranged from £31,989 to £181,273 (2021/22: £31,673 to £179,478).
- 4.122 Information on fair pay disclosures has been audited by the Comptroller and Auditor General.

### **Sickness absence**

- 4.123 A total of 181 days (2021/22, 295 days) were lost due to sickness absence in the year. This equates to 4.11 days (2021/22, 6.7 days) per person.

### **Policies relating to disability**

- 4.124 We are committed to applying our equal opportunities policy at all stages of recruitment and selection.
- 4.125 We have attained Disability Confident level 2 accreditation and are signed up to the Mindful Employer Charter.
- 4.126 We work to ensure that:
- The most suitable applicant is appointed to each post, having regard to the real needs of the job
  - That the process is open, fair and honest
  - We make reasonable adjustments to overcome barriers during the course of interviews and employment
  - Equal opportunities are provided for all applicants
  - Both internal and external candidates are assessed based on the same selection criteria
  - Discrimination and bias are eliminated from the process, in as far as it is possible to do so
  - Legal objectives are met, and good employment practices followed
  - Our application form provides a section for potential candidates to confirm whether or not they consider themselves to have a disability and if so whether they require reasonable adjustments to be made.
- 4.127 If identified on the application form all candidates who meet the minimum selection criteria of a vacancy will be interviewed under the Disability Confident Scheme.
- 4.128 Whilst we are committed to the Disability Confident Scheme, this requirement does not extend to the appointment decision, whereby the best person for the job will be appointed in line with equality legislation.

### Staff Survey 2022 highlights

- The 2022 response rate was 81% for comparison, the response rate for the Civil Service People Survey (CSPS) was 62%.
- The overall satisfaction rate was 85% (last year it was 88% and the year before it was 87%; the rate for the CSPS last year was 66%).
- Last year we added four statements about hybrid working. The average rating for these statements in 2022 was 87% (85% in 2021).
- This year we added four statements about EDI. The average rating for these statements was 82%.

### Health and safety at work

- 4.129 The Authority has a health and safety at work policy and all staff have received an induction and training on this. All staff who attended the new offices received an update on the policies and a new induction in March 2023.
- 4.130 There were no health and safety incidents to report.

### Trade union relationships

- 4.131 The Authority is not affiliated with any Trade union and therefore has nothing to report.

### People

- 4.132 The Authority completed year three of its 2020-23 People Strategy. The key achievements were;
- Gaining Disability Confident accreditation (recognising the work we do to encourage disabled applicants to apply)
  - Reviewing how job adverts are written and updating this to appeal to a wider audience and be more inclusive
  - Advertising in a variety of new places including the DWP website which is specifically aimed at a diverse range of applicants, particularly disabled applicants
  - Undertaking a number of policy reviews with a view to ensuring the language is Equality, Diversity and Inclusion (EDI) friendly and updated our policies such as the family friendly policies in this respect
  - Incorporated an EDI objective into all staff members objectives for 2022/23. The Board now have a more defined role in the Authority's EDI work and more oversight of this, through regular updates at Board meetings
  - The Nominations Committee has been focusing on EDI and representation in relation to future Board appointments including creating an Associate Board Member role.
- 4.133 The Authority has an employee assistance scheme in place and staff were attended a session in 2022/23 to inform them of how this could assist them.
- 4.134 Twelve staff members completed Mental Health First Aid training in 2022/23.

- 4.135 A number of all staff training sessions were carried out including cyber security, equality and diversity and recruitment. Staff were encouraged to discuss and attend appropriate personal development training.
- 4.136 In 2022/23 all staff operated our hybrid policy with a combination of home and office-based working.

### Staff numbers and related costs

#### *Average number of persons employed*

- 4.137 The average number of full-time and part-time staff employed (including temporary staff) during the year is as follows:

	Permanently employed	Other	Total 2022/23	Permanently employed	Other	Total 2021/22
Total	41.59	0.59	42.18	42.75	0.33	43.08

- 4.138 There were no staff engaged on capital projects in the period to 31 March 2023.

#### *Costs of persons employed*

	Permanently employed	Other	Total 2022/23	Permanently employed	Other	Total 2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
Salaries	2,725	-	2,725	2,690	-	2,690
Social security costs	333	-	333	292	-	292
Superannuation costs	509	-	509	465	-	465
Agency/ temporary staff	-	48*	48	-	22	22
	3,567	48*	3,615	3,447	22	3,469

\*Temporary staff. There were no consultancy costs in 2022/23

- 4.139 The two tables above have been audited by the Comptroller and Auditor General.
- 4.140 There were no exit packages paid in 2022/23 (none in 2021/22).
- 4.141 No redundancy costs were incurred in the financial year 2022/23 (none in 2021/22).
- 4.142 No persons were employed off payroll or on a consultancy basis during the year (none in 2021/22).
- 4.143 This information has been audited by the Comptroller and Auditor General.

# Parliamentary accountability and audit report

## Clarifications

### *Losses and special payments*

- 4.144 Losses and special payments were individually and in total below the reporting threshold of £300k. This information has been audited by the Comptroller and Auditor General.

### *Regularity of expenditure*

- 4.145 The Authority operates with four distinct work streams which are reflected in the segmentation of our accounts:
- Regulatory and standards setting work – paid for through fees raised from the Regulators
  - Accredited Registers – self-funding
  - Commissions from Government(s) – paid for by the commissioning body
  - Advice to other organisations – earned through fees.
- 4.146 The income and expenditure for each segment are accounted for separately and we work to ensure that there is no cross-subsidy.
- 4.147 This information has been audited by the Comptroller and Auditor General.

### *Fees and charges*

- 4.148 The Health and Social Care Act 2012 provided for the Authority to be funded by the regulators that it oversees.
- 4.149 The functions within the scope of the Fees Regulations are those within our first work stream; that is the regulatory oversight and improvement work undertaken in relation to the statutory regulated health professional bodies.
- 4.150 The financial year 2022/23 was the seventh full year that the Authority has been funded primarily through fees. The fee period for 2023/24 will be from April to March covering the same period as the Authority's financial year.
- 4.151 Details of the related operating costs for our regulatory and standards setting function are shown below.

<b>31 March 2023</b>	<b>Regulatory and standards setting work</b>
	<b>£'000</b>
Operating costs	4,883
Operating income	(4,658)
<b>Net operating (income)/expenditure</b>	<b>225</b>

4.152 This information has been audited by the Comptroller and Auditor General.

### *Section 29 cases*

4.153 This is the area of our work that can significantly fluctuate and is accordingly difficult to predict. Many cases take a long time from the date a complaint is made to when they come to the Authority, hence it is not just the volume received by a regulator but the time they take to process them that influences the Authority's workload.

4.154 This year we have seen a 9% increase in the number of fitness to practise determinations notified to us by the regulators, from 2,137 in 2021/22 to 2,335 in 2022/23. During 2022/23 we requested further information and undertook detailed case reviews in 80 cases. By way of comparison, we undertook 101 detailed case reviews in 2021/22.

4.155 While it appears that the caseload remains lower than in the pre-pandemic years, case numbers have increased again this year, for the second year running. We remain mindful that the pandemic had a significant impact on the number of cases heard by the regulators and that a backlog has built up in some regulators, so numbers may continue to increase in the coming years. We keep staffing levels under review, and, at particularly busy times, we have in place on-call arrangements with our external legal providers to ensure that our statutory deadlines continue to be met. We also seek external assurance of our decisions to close cases, where this appears to be appropriate.

### *Changes to our legislation*

4.156 There is the prospect that changes to legislation directly or indirectly may impact on our work. The introduction of proposed changes to legislation either for us or for the regulators would require analysis and consideration. There are proposals for changes to the regulation of health and social care professionals, but these are not yet developed to a state that would enable the Authority to consider the impact on our work or expenditure.

4.157 Assuming that our workload remains consistent with the current year we would not anticipate significant changes to our expenditure.

4.158 At the time of writing, I am very confident about the ability of the Authority to continue as a going concern and I anticipate the continuation of the provision of our service for the foreseeable future. All fees from the 10 statutory regulators for 2023/24 have been paid, representing around 90% of the expected income for the year. The Accredited Registers programme accounts for only 10% of Authority income. The Authority currently holds unrestricted reserves of approximately £721,000.

4.159 The Authority continues to carry out its statutory functions. The most significant change during 2023/24 will be fluctuations in the volume of fitness to practise cases coming from the regulators. There may be changes to the timing and scope of performance reviews for some regulators during the year, due to workloads at the regulators. At this point in time, however, I anticipate we will complete all the planned reviews within the business year.

- 4.160 The Authority moved successfully to remote working during the Covid-19 pandemic. Remote working has not materially affected productivity. In September 2021 we returned to the office and introduced our Hybrid Working Policy which is working effectively.
- 4.161 In March 2023, we successfully relocated to a new office in Blackfriars, London. The move did not affect productivity. The new office provides a better working environment at a lower cost than our previous office in Victoria, London.
- 4.162 Finally, I am not expecting any significant policy changes or legislation that will affect the ability of the Authority to continue as a going concern over the next 12 months.



Alan Clamp,  
Accounting Officer  
21 June 2023

## 5. THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT, THE SCOTTISH PARLIAMENT, THE NORTHERN IRELAND ASSEMBLY AND WELSH PARLIAMENT

### Opinion on financial statements

I certify that I have audited the financial statements of the Professional Standards Authority for Health and Social Care for the year ended 31 March 2023 under the National Health Service Reform and Health Care Professions Act 2002.

The financial statements comprise the Professional Standards Authority for Health and Social Care's:

- Statement of Financial Position as at 31 March 2023;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Professional Standards Authority for Health and Social Care's affairs as at 31 March 2023 and the net operating cost for the year then ended; and
- have been properly prepared in accordance with the National Health Service Reform and Health Care Professions Act 2002 and the Privy Council's directions issued thereunder.

### Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. In applying the Ethical Standard I identified a business relationship between the National Audit Office and the Professional Standards Authority for Health and Social Care. Further details are

disclosed within Note 4 to the Accounts. The revenue received is immaterial to the National Audit Office, and I consider that appropriate safeguards have been implemented to protect my, and the NAO team's, objectivity throughout the audit. I am independent of the Professional Standards Authority for Health and Social Care in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the Professional Standards Authority for Health and Social Care's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Professional Standards Authority for Health and Social Care's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Professional Standards Authority for Health and Social Care is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

## **Other Information**

The other information comprises the information included in the Annual Report, but does not include the financial statements nor my auditor's certificate and report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the

financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## **Opinion on other matters**

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with the Privy Council directions issued under the National Health Service Reform and Health Care Professions Act 2002.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with the Privy Council directions issued under the National Health Service Reform and Health Care Professions Act 2002; and
- the information given in the Performance Report, Key Performance Indicators, Regulatory and Standards Setting Work and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

## **Matters on which I report by exception**

In the light of the knowledge and understanding of the Professional Standards Authority for Health and Social Care and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report, Key Performance Indicators, Regulatory and Standards Setting Work and Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- Adequate accounting records have not been kept by the Professional Standards Authority for Health and Social Care or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## **Responsibilities of the Board and Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Professional Standards Authority for Health and Social Care from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with the Privy Council directions issued under the National Health Service Reform and Health Care Professions Act 2002;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with the Privy Council directions issued under the National Health Service Reform and Health Care Professions Act 2002; and
- assessing the Professional Standards Authority for Health and Social Care's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Professional Standards Authority for Health and Social Care will not continue to be provided in the future.

## **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the National Health Service Reform and Health Care Professions Act 2002.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud**

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

## **Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud**

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Professional Standards Authority for Health and Social Care's accounting policies and key performance indicators
- inquired of management, the Professional Standards Authority for Health and Social Care's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Professional Standards Authority for Health and Social Care's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Professional Standards Authority for Health and Social Care's controls relating to its compliance with the National Health Service Reform and Health Care Professions Act 2002; and the Professional Standards Authority for Health and Social Care (Fees) Regulations 2015; and
- inquired of management, the Professional Standards Authority for Health and Social Care's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Professional Standards Authority for Health and Social Care for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Professional Standards Authority for Health and Social Care's framework of authority and other legal and regulatory frameworks in

which the Professional Standards Authority for Health and Social Care operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Professional Standards Authority for Health and Social Care. The key laws and regulations I considered in this context included National Health Service Reform and Health Care Professions Act 2002, the Professional Standards Authority for Health and Social Care (Fees) Regulations 2015, employment law, pensions legislation and tax legislation.

I considered whether Professional Standards Authority for Health and Social Care has appropriately reported its expenditure between its work on regulatory and standards work (for which it receives fees from the ten regulatory bodies) and its other areas of activity.

### **Audit response to identified risk**

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management and the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I tested whether expenditure had been correctly recorded as restricted spend associated with regulatory and standards work or unrestricted spend associated with other areas of activity

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

### **Other auditor's responsibilities**

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

## **Report**

I have no observations to make on these financial statements.

**Gareth Davies**  
**Comptroller and Auditor General**

**Date** 26 June 2023

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

## Financial Statements

### 6. Financial statements – statement of comprehensive net expenditure for the period ended 31 March 2023

	Note	2022/23 £'000	2021/22 £'000
<b><i>Expenditure</i></b>			
Staff costs	3	3,615	3,469
Other administrative costs	4	1,787	1,483
<b><i>Income</i></b>			
Fees Income	5	(4,559)	(4,515)
Operating income	6	(677)	(724)
<b>Net operating cost / (income)</b>		<b>166</b>	<b>(287)</b>

The notes on pages 73 to 92 form part of these accounts.

#### **Other comprehensive net expenditure**

- 6.1 There was no other comprehensive net expenditure in the period ended 31 March 2023 (none in the year ended 31 March 2022)

7. Financial statements – statement of financial position as at 31 March 2023

	Note	31 March 2023		31 March 2022	
		£'000	£'000	£'000	£'000
<b>Non-current assets</b>					
Intangible assets	7	144		111	
Property, plant and equipment	8	53		49	
Right of use asset	18	795		0	
<b>Total non-current assets</b>			<b>992</b>		<b>160</b>
<b>Current assets</b>					
Trade and other receivables	9	403		247	
Investments	10	750		750	
Cash and cash equivalents	11	6,758		6,810	
<b>Total current assets</b>			<b>7,911</b>		<b>7,807</b>
<b>Total Assets</b>			<b>8,903</b>		<b>7,967</b>
<b>Current liabilities</b>					
Trade and other payables	12	(5,686)		(5,389)	
Lease liability	14	(62)		0	
Provisions	13	(13)		(10)	
<b>Total current liabilities</b>			<b>(5,761)</b>		<b>(5,399)</b>
<b>Non-Current liabilities</b>					
Lease liability	14	(740)		0	
<b>Total liabilities</b>			<b>(6,501)</b>		<b>0</b>
<b>Assets less liabilities</b>			<b>2,402</b>		<b>2,568</b>
<b>Reserves</b>					
General reserves			<b>2,402</b>		<b>2,568</b>

The notes on pages 73 to 92 form part of these accounts.



Alan Clamp  
Accounting Officer

21 June 2023

8. **Financial statements – statement of cash flows for the period ended 31 March 2023**

	Note	2022/23	2021/22
		£'000	£'000
<b>Cash flows from operating activities</b>			
Net operating (costs)/income for the year		(166)	287
Adjustment for non-cash transactions	4	120	90
Investment income		(10)	
Decrease/(increase) in trade and other receivables	9	(156)	3
Increase/(decrease) in trade and other payables	12	297	447
Increase/(Decrease) in provisions	13	3	-
<b>Net cash inflow/(outflow) from operating activities</b>		<b>88</b>	<b>827</b>
<b>Cash flows from investment activities</b>			
Purchase of property, plant, equipment and intangibles	7,8	(150)	(24)
Investments	10	10	(750)
<b>Net cash inflow/(outflow) from investment activities</b>		<b>(140)</b>	<b>(774)</b>
<b>Cash flows from financing activities</b>			
<b>Net cash flow from financing activities</b>		<b>0</b>	<b>0</b>
<b>Net financing</b>			
<b>Net increase/(decrease) in cash and cash equivalents</b>	11	(52)	53
Cash and cash equivalents at the beginning of the financial year	11	6,810	6,757
<b>Cash and cash equivalents at the end of the financial period</b>	11	<b>6,758</b>	<b>6,810</b>

The notes on pages 73 to 92 form part of these accounts.

**9. Financial statements – statement of changes in taxpayer’s equity for the period ended 31 March 2023**

	Note	General reserve
		£'000
<b>Balance as at 1 April 2021</b>		<b>2,281</b>
<b>Changes in reserves in the year ended 31 March 2022</b>		
Net operating (costs)/income		287
DHSC funding		-
<b>Balance as at 31 March 2022</b>		<b>2,568</b>
<b>Changes in reserves in the year to 31 March 2023</b>		
Net operating (costs)/income		(166)
<b>Balance as at 31 March 2023</b>	15	<b>2,402</b>

The notes on pages 73 to 92 form part of these accounts.

**10. Notes to the accounts**

**1. Accounting policies**

**Basis of preparation**

- 10.1 These financial statements have been prepared in accordance with the 2022/23 Government Financial Reporting Manual (FReM) issued by HM Treasury and pursuant to NHS Reform and Health Care Professions Act 2002.
- 10.2 The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the UK public sector context.
- 10.3 Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Authority for the purpose of giving a true and fair view has been selected.
- 10.4 The particular policies adopted by the Authority for the reportable period are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

## **Critical accounting judgements and key sources of estimation uncertainty**

- 10.5 In the application of the Authority's accounting policies, management is required to make judgements, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources.
- 10.6 The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.
- 10.7 Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed.
- 10.8 Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

## **Intangible assets**

### ***Internally generated and other intangible assets***

- 10.9 Any internally generated and other intangible assets arising from the Authority's activities and expenditure are recognised where all of the following conditions are met:
- An asset is created that can be identified (such as bespoke software)
  - It is probable that the asset created will generate future economic benefits, i.e. the Authority has control over the asset
  - The cost (including development cost) of the asset can be measured reliably.
- 10.10 Intangible fixed assets are initially measured at cost and subsequently valued using depreciated replacement cost that is deemed a suitable proxy for fair value. For intangible assets with finite useful lives, amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over its useful economic life.
- 10.11 The amortisation period and amortisation method of an intangible asset is reviewed at each financial year end. If the expected useful life of the asset is different from previous estimates, the amortisation period and method will be changed to reflect the changed pattern.

## **Non-current assets**

### ***Property, plant and equipment***

- 10.12 Non-current assets other than computer software are capitalised as property, plant and equipment as follows:
- Equipment with an individual value of £1,000 or more
  - Grouped assets of a similar nature with a combined value of £1,000 or more
  - Refurbishment costs valued at £1,000 or more.

- 10.13 The Authority has adopted IFRS 13 and in accordance with the FReM has deemed that depreciated historical cost is a suitable proxy to current value in existing use or fair value where the asset has a short useful economic life or is of low value. Indexation has not been applied since 31 March 2008 as this would not be material. Asset valuations are reviewed on an annual basis, at each statement of financial position date, to ensure that the carrying value fairly reflects current cost.
- 10.14 Depreciation is provided on a straight-line basis, calculated on the revalued amount to write off assets, less any estimated residual balance, over their remaining estimated useful life.
- 10.15 The useful lives of non-current assets have been estimated as follows:
- Furniture and fittings over the remaining accommodation lease term
  - Computer equipment – three years.
- 10.16 These provide a realistic reflection of the lives of the assets.
- 10.17 Depreciation is charged from the month in which the asset is acquired.

### **Investments**

- 10.18 These are short-term deposits held with financial institutions with maturity date of over three months and no longer than nine months.

### **Cash at bank and cash equivalents**

- 10.19 Cash is cash in hand and deposits with any financial institution with maturity date of less than three months.

### **Reserves policy**

- 10.20 The timing of the determination of the fees is not fully within the control of the Authority and should there be a delay in the receipt of the fee income the Authority will face cash-flow problems and could have difficulty in meeting its expenditure requirements and statutory duties.
- 10.21 The cash-flow issues are linked to the receipt of the fee income. If the consultation process is not concluded by the Privy Council in time for the determination to be made by the beginning of March, then the Authority will face the prospect of having no cash at the start of the financial year.
- 10.22 The Authority may also have to address financial shortfalls arising during the fiscal year. The budget for any given year has to be estimated prior to the commencement of the consultation exercise, which being lengthy has to commence early in the preceding year, thus there could be occasions when the Authority has to address unexpected expenditure during the year after the fee has been determined – for example costs arising from an increase in its workload, the need to undertake an investigation or changes to legislation.
- 10.23 While the Authority has the power to consult on an additional fee during the year, the time that this would take makes it an impractical means of addressing such issues. Seeking additional fees also means that the regulators would be asked to provide funding that they had not budgeted for, resulting in pressure on their own budgets.

- 10.24 To accommodate unexpected expenditure peaks and cash-flow deficiencies, and to reduce the prospect of needing to seek additional fees, the Board agreed that the Authority should keep an agreed level of financial reserves, sufficient to ensure that its statutory functions can continue to operate.
- 10.25 Having reserves that can be called upon will also eliminate the need to pay arrangement fees and interest on any monies borrowed.
- 10.26 The Authority has agreed to hold reserves of three months' total operating costs of circa £1.244 million, within which it draws a distinction between:
- A restricted element associated with regulatory and standards work
  - An unrestricted element associated with all the Authority's work.
- 10.27 The intention is that over time the restricted element will amount to two months' total operating costs.
- 10.28 The level and make-up of our reserves will be reported through our Annual Report.
- 10.29 Any money taken from reserves during the year which reduces it below the minimum required will need to be replaced in the following year(s).
- 10.30 Should there be a need to draw upon the restricted element of the reserves we will report this to the regulators at an appropriate point.

### **Fees income**

- 10.31 The FReM extends the definition of a contract within IFRS 15 Revenue from contracts with customers to include legislation (Fees Regulations 2015) that enables the Authority to receive cash or other financial assets. Fees received from the 10 statutory bodies are recognised over time i.e. monthly, over the financial year specified in the annual fee determination. These fees, typically received prior to the commencement of the financial period they relate to, are recognised as deferred income (contract liability) until the over time performance obligation as specified in annual fee determination is achieved. Any surplus arising will be taken into account when calculating future fee rates to the extent that this is not required to maintain an appropriate level of reserves in accordance with the Authority's reserves policy.

### **Operating income**

- 10.32 Operating income includes: Section 29 case cost recoveries; interest received from investments; fees received from the provision of services to other members of the health regulation community; and accreditation fees received from register applicants wishing to be accredited.
- 10.33 Income from fees received from the contracts for commissions to government and advice to other organisations is recognised in accordance with five step process within IFRS 15 when the performance obligations of each separate contract have been met. Income from these contracts is either recognised in full at the point of time e.g. presentation of the final report or over time as the costs are incurred where the contract specifies that the customer will be liable for all costs until termination date. Income recognition over time is based on agreed staff costs and direct expenditure incurred and recognised in the accounts. These are the costs of performing the work. Payments are typically

received before performance obligations are met in which case these are recognised as deferred income and as income once performance obligations have been met.

- 10.34 Accredited Registers' revenue consists of non-refundable fixed accreditation fees for new registers, payable when application documents have been submitted to the Authority, and renewal fees, payable prior to the anniversary of accreditation. Income from initial application fees was recognised in the operating cost statement at the point of time of the Authority's accreditation decision in accordance with IFRS 15 and income from renewal fees was recognised at the point of renewal accreditation decision.
- 10.35 The new fee model was implemented on 1 July 2021 as part of wider changes to the Accredited Registers function; and includes a new three-year risk based assessment and accreditation process. Income from renewal fees is now recognised in the operating cost statement over time i.e. monthly, over the financial year, as the performance obligation is now being delivered over time in accordance with IFRS 15. These fees, typically received prior to the commencement of the financial period they relate to, are recognised as deferred income (contract liability) until the over time performance, as specified in fee invoices, obligation is achieved.

#### **Section 29 costs and recoveries**

- 10.36 Under its Section 29 powers, the Authority can appeal to the High Court against a regulator's disciplinary decisions. Costs incurred by the Authority in bringing Section 29 appeals are charged to the comprehensive net expenditure statement on an accruals basis.
- 10.37 As a result of judgments made by the Courts, costs may be awarded to the Authority if the case is successful or costs may be awarded against the Authority if the case is lost. Where costs are awarded to, or against, the Authority, these may be subsequently revoked or reduced as a result of a successful appeal either by the defendant or by the Authority. Therefore, in bringing either income or expenditure to account, the Authority considers the likely outcome of each case on a case-by-case basis.
- 10.38 In the case of costs awarded to the Authority, the income is not brought to account unless there is a final uncontested judgment in the Authority's favour or an agreement between parties of the proportion of costs that will be paid and submitted to the Courts and settlement amount had been agreed by both parties. When a case has been won but the final outcome is still subject to appeal, and it is virtually certain that the case will be won on appeal and costs will be awarded to the Authority, a contingent asset is disclosed.
- 10.39 In the case of costs awarded against the Authority, expenditure is recognised in the income and expenditure where there is a final uncontested judgment against the Authority. In addition, where a case has been lost, but the final outcome is still subject to appeal, and it is probable that costs will be awarded against the Authority, a provision is recognised in the accounts. Where it is possible but not probable that the case will be lost on appeal and that costs may be incurred by the Authority, a contingent liability is disclosed.

## **Section 29 bad debt write off**

- 10.40 In rare circumstances where the Authority deems a Section 29 asset to be irrecoverable (this could be due to the financial and administrative cost of recovery or ethical reasons) a debt will be written off directly to the income statement in the period that the decision not to pursue recovery has been taken by Authority.

## **Value added tax**

- 10.41 Value added tax (VAT) on purchases is not recoverable, hence is charged to the statement of comprehensive net expenditure and included under the heading relevant to the type of expenditure, or capitalised if it relates to an asset.

## **Retirement benefit costs**

- 10.42 Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities.
- 10.43 Therefore, the scheme is accounted for as if it were a defined contribution scheme; the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.
- 10.44 For early retirements, other than those due to ill health, the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the statement of comprehensive net expenditure at the time the Authority commits itself to the retirement, regardless of the method of payment.
- 10.45 Expected contributions for the next annual reporting period are expected to be around £0.519 million.

## **Leases**

- 10.46 The Authority has adopted IFRS 16, as interpreted and adapted in FreM, with effect from 1 April 2022.
- 10.47 Where a lease has been identified, the Authority recognises the right of use asset and a corresponding lease liability, except for leases (including remaining leases) shorter than 12 month or/and of value less than £5,000. These leases are treated as operating leasing with lease payments recognised in the Statement of Comprehensive Net Expenditure.
- 10.48 Previous operating lease expenses have been replaced with depreciation charge and interest expense on lease liability.
- 10.49 The Authority's incremental borrowing rate defined by HM Treasury currently is 3.51%. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments.
- 10.50 Our current finance lease arrangements in respect of the property at 16-18 New Bridge Street are due to expire on 14 of March 2033 with a break clause

at 14 March 2028. There were no other confirmed lease arrangements in place as at 31 March 2023.

- 10.51 The Authority does not apply IFRS 16 to leases of intangible assets and recognises these in accordance with IAS 38.

### **Right of use assets**

- 10.52 Right of use assets are depreciated on a straight line basis over lease term.
- 10.53 As permitted by the FrEM, right of use (ROU) assets are subsequently measured using the cost model as a proxy for measurement of the cost value in use, as useful life and values of ROU assets is shorter than their respective underlying asset.
- 10.54 Right of use assets relates to the lease assets in respect of property at 16-18 New Bridge Street, London.

### **Initial application of IFRS 16**

- 10.55 HM Treasury has withdrawn the accounting policy choice to apply IFRS16 retrospectively to each prior accounting period presented in accordance with IAS8. At the date of initial application organisations had to recognise the cumulative effect of initially applying IFRS16 as an adjustment to the opening balance of taxpayer's equity.
- 10.56 In accordance with the FReM we have not recognised any assets or liabilities for leases where the underlying asset is of low value and have made no adjustment for such leases. Similarly, we have not recognised any asset or liabilities with a remaining term of 12 months or less and have made no adjustments for these.
- 10.57 As at 1 April 2022, PSA had a lease with the National Audit Office in respect of a property in Buckingham Palace Road with the lease ending on 31 October 2022. FReM mandates the application of the practical expedient in IFRS 16 C10c (not applying the transitional provisions of IFRS 16 C8 to leases for which the lease terms ends within 12 months of the date of initial application). Therefore this lease was expensed in the same way as short-term leases. No asset or liability has been recognised in respect of this lease. This was the only lease as at 1 April 2022.
- 10.58 The cost associated with this lease has been included within the note 18 Leases.
- 10.59 Upon transition no adjustments have been required to the Statement of Financial position as at 1 April 2022.

### **International Financial Reporting Standards (IFRSs), amendments and interpretations in issue but not yet effective or adopted**

- 10.60 International Accounting Standard (IAS8), accounting policies, changes in accounting estimates and errors require disclosures in respect of new IFRSs, amendments and interpretations that are, or will be, applicable after the accounting period. There are a number of IFRS, amendments and

interpretations issued by the International Accounting Standards Board that are effective for financial statements after this accounting period. The following have not been adopted early by the Authority:

- IFRS 17 and amendments to IFRs 17 – Insurance contracts.
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current
- Amendments to IFRS 3 – Reference to the Conceptual Framework
- Amendments to IAS 16 – Leases on sale and leaseback
- Amendments to IAS 1 – Non current liabilities with covenants
- Amendments to IAS12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

**Accounting standards issued that have been adopted early**

10.61 The Authority has not adopted any IFRSs, amendments or interpretations early.

## 2. Analysis of net operating costs/(income) by segment

### Segmental analysis

10.62 Net operating costs/(income) were incurred by the Authority's four main expenditure streams as follows. The Authority does not maintain separate statements of financial position for these streams. There were no inter-segment transactions in the year.

<b>2022/23</b>	<b>Regulatory and Standards setting work</b>	<b>Accredited Registers</b>	<b>Commissions from Government(s)</b>	<b>Advice to other organisations</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Operating costs	4,883	519	0	0	5,402
Operating income	(4,658)	(578)	0	0	(5,236)
Net operating costs/(income)	225*	(59)	0	0	166
<b>2021/22</b>	<b>Regulatory and Standards setting work</b>	<b>Accredited Registers</b>	<b>Commissions from Government(s)</b>	<b>Advice to other organisations</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Operating costs	4,490	462	0	0	4,952
Operating income	(4,720)	(519)	0	0	(5,239)
Net operating costs/(income)	(230)	(57)	0	0	(287)

\*Planned deficit due to two major in year projects: IT and Office move

10.63 The work of these operating segments is described in the performance report.

### 3. Staff numbers and related costs

#### 10.64 Costs of persons employed

	Permanently employed	Other	Total 2022/23	Permanently employed	Other	Total 2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
Salaries	2,725	-	2,725	2,690	-	2,690
Social security costs	333	-	333	292	-	292
Superannuation costs	509	-	509	465	-	465
Agency/ temporary costs	-	48	48	-	22	22
	3,567	48	3,615	3,447	22	3,469

10.65 There were no exit packages paid in 2022/23 (none in 2021/22).

10.66 No redundancy costs were incurred in the financial year 2022/23 (none in 2021/22).

10.67 No persons were employed off payroll or on a consultancy basis during the year (none in 2021/22).

#### *Average number of persons employed*

10.68 The average number of full-time and part-time staff employed (including temporary staff) during the year is as follows:

	Permanently employed	Other	Total 2022/23	Permanently employed	Other	Total 2021/22
Total	41.59	0.59	42.18	42.75	0.33	43.08

#### 4. Other administrative costs

	Notes	2022/23	2021/22
		£'000	£'000
Members' remuneration		117	112
Legal and professional fees		566	432
Premises and fixed plant		623	645
Training and recruitment		126	62
PR, communications and conferences		60	15
Establishment expenses		62	34
External audit fee		29	28
Other costs		84	65
<b>Total</b>		<b>1,667</b>	<b>1,393</b>
<b>Non cash expenditure:</b>			
Amortisation	7	76	50
Depreciation	8	37	40
Right of use asset depreciation	18	7	0
<b>Total non cash expenditure</b>		<b>120</b>	<b>90</b>
<b>Total administrative costs</b>		<b>1,787</b>	<b>1,483</b>

\*The Authority made payments of £325,062.57 (£332,768.29 in 2021/22) to the National Audit Office for non-audit work in respect of accommodation costs of the Authority for use of office space at 157-197 Buckingham Palace Road, London.

#### 5. Fee Income

	2022/23	2021/22
	£'000	£'000
Fee Income from Regulators	4,559*	4,515
<b>Total</b>	<b>4,559</b>	<b>4,515</b>

\*Fee income relating to statutory 2022/23 fees.

Income from GMC (£0.869m), NMC (£1.998m) and HCPC (£0.785m) amounted to 19%, 44% and 17% of the total fee income respectively.

#### 6. Operating Income

	2022/23	2021/22
	£'000	£'000
Section 29 cost recoveries	89	142
Accredited Registers' income	578	519
Advice to other organisations	0	0
Subtenancy income	0	63
Other operating income	10	0
Commissions from Government	0	0
<b>Total operating Income</b>	<b>677</b>	<b>724</b>

## 7. Intangibles

	<b>Section 29 database &amp; Other intangible assets</b>
	<b>£'000</b>
<b>Valuation</b>	
At 1 April 2022	220
Additions	109
Disposals	(70)
At 31 March 2023	259
<b>Amortisation</b>	
At 1 April 2022	109
Charge for the year	76
Disposals	(70)
At 31 March 2023	115
<b>Net book value</b>	
<b>At 31 March 2023</b>	144
At 31 March 2022	111
	<b>Section 29 database &amp; Other intangible assets</b>
	<b>£'000</b>
<b>Valuation</b>	
At 1 April 2021	613
Additions	-
Disposals	(393)
At 31 March 2022	220
<b>Amortisation</b>	
At 1 April 2021	452
Charge for the period	50
Disposals	(393)
At 31 March 2022	109
<b>Net book value</b>	
At 31 March 2022	111
At 31 March 2021	161

## 8. Property, Plant and Equipment

### Property, Plant and Equipment

	Furniture, fixtures and fittings	IT equipment	Total
	£'000	£'000	£'000
<b>Valuation</b>			
At 1 April 2022	154	470	624
Additions	5	36	41
Disposals	(150)	(402)	(552)
At 31 March 2023	9	104	113
<b>Depreciation</b>			
At 1 April 2022	146	429	575
Charge in period	8	29	37
Disposals	(150)	(402)	(552)
At 31 March 2023	4	56	60
<b>Net book value</b>			
<b>At 31 March 2023</b>	<b>5</b>	<b>48</b>	<b>53</b>
<b>At 31 March 2022</b>	<b>8</b>	<b>41</b>	<b>49</b>

10.69 All assets above are wholly owned by the Authority without any related financial liabilities.

	Furniture, fixtures and fittings	IT equipment	Total
	£'000	£'000	£'000
<b>Valuation</b>			
At 1 April 2021	153	447	600
Additions	1	23	24
Disposals	-	-	-
At 31 March 2022	154	470	624
<b>Depreciation</b>			
At 1 April 2021	133	402	535
Charge in period	13	27	40
Disposals	-	-	-
At 31 March 2022	146	429	575
<b>Net book value</b>			
<b>At 31 March 2022</b>	<b>8</b>	<b>41</b>	<b>49</b>
<b>At 31 March 2021</b>	<b>20</b>	<b>45</b>	<b>65</b>

## 9. Trade and other receivables

10.70 Amounts falling due within one year:

	31 March 2023	31 March 2022
	£'000	£'000
Trade and other receivables	346	53
Prepayments	57	194
<b>Total trade and other receivables</b>	<b>403</b>	<b>247</b>

10.71 There are no trade receivables and other current assets falling due after more than one year.

## 10. Investments

	31 March 2023	31 March 2022
	£'000	£'000
Balance at 1 April 2022	750	0
Net change in deposits	0	750
Balance at 31 March 2023	750	750

10.72 Investments are short-term deposits that are entered into with financial institutions with a maturity date of over three months and no longer than nine

months. The deposits comply with the Authority's reserves policy. As at 31 March 2023 one short-term deposit has matured and will be reinvested.

### 11. Cash and cash equivalents

	2022/23	2021/22
	£'000	£'000
Balance at 1 April	6,810	6,757
Net changes in cash and cash equivalent balances	(52)	53
<b>Balance at 31 March</b>	<b>6,758</b>	<b>6,810</b>
<i>The following balances were held at:</i>		
Government Banking Service	49	50
Commercial banks and cash in hand	6,709	6,760
<b>Balance at 31 March</b>	<b>6,758</b>	<b>6,810</b>

### 12. Trade and other payables

10.73 Amounts falling due within one year:

	31 March 2023	31 March 2022
	£'000	£'000
Trade and other payables	41	30
Taxation and social security	92	88
Accruals and deferred income	**5,553	*5,271
<b>Total trade and other payables</b>	<b>5,686</b>	<b>5,389</b>

\* Opening value of contract liabilities with customers, £5,012k recognised as income in the current year.

\*\* Closing values of contract liabilities and accruals.

10.74 There were no trade payables and other current liabilities falling due after more than one year.

### 13. Provisions

	Provisions
	£'000
Balance at 31 March 2022	10
Arising during the period	3
Provision used	-
<b>Balance at 31 March 2023</b>	<b>13</b>

10.75 The HMRC provision as at 31 March 2023 represents the Authority's tax liability on interest received from bank investments.

#### 14. Lease liabilities

	<b>Lease liabilities</b>
	<b>£'000</b>
Balance at 31 March 2022	0
Current finance lease liability	62
Non current liabilities due no late than 5 years	740
<b>Balance at 31 March 2023</b>	<b>802</b>

10.76 Lease liability represents the Authority's liability in respect of the property at New Bridge Street.

#### 15. Additional general reserves note

	<b>Unrestricted Element</b> All work (Regulatory and standards setting / Accredited Registers / Commissions from Government(s) / Advice to other organisations)	<b>Restricted Element</b> (Regulatory and standards setting work)	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Balance as at 31 March 2022</b>	<b>662</b>	<b>1,906*</b>	<b>2,568*</b>
<b>Changes in reserves in the year ended 31 March 2023</b>			
Regulatory and Standards setting work	-	(225)	(225)
Accredited Registers	59		59
Commissions from Government(s)	-		-
Advice to other organisations	-		-
<b>Other accounting adjustments</b>			
<b>Balance as at 31 March 2023</b>	<b>721</b>	<b>1,681*</b>	<b>2,402*</b>

\*This includes both cash and non-cash elements.

## 16. Contingent assets and liabilities

### Assets

- 10.77 One High Court case was concluded and costs were ordered in the Authority's favour. Agreement concerning costs has not been reached as at 31 March 2023 (one case as at 31 March 2022).

### Liabilities

- 10.78 Sixteen High Court cases under the Authority's Section 29 powers were undecided as at 31 March 2023. There was, therefore, uncertainty, as at that date, as to the result of the cases and related financial consequences, pending a final judgment (10 as at 31 March 2022).
- 10.79 Judgment by the High Court may permit recovery of these Authority costs or, alternatively, issue a charge to the Authority of the costs of the regulator and its registrant. The Authority considers it is possible but not probable that such obligation will arise.

## 17. Capital commitments

- 10.80 The Authority had no capital commitments as at the statement of financial position dates.

## 18. Commitments under leases

### Leases

- 10.81 The Authority's finance lease represents the lease in respect of property at 16-18 New Bridge street that will end on the 14 March 2033 with a break clause on 14 March 2028.
- 10.82 In 2022-23 expenditure related to leases with the term of 12 months and less was £324,000.

Right of use asset	Buildings
	£'000
Cost or valuation	
At 1 April 2022	0
Additions	802
At 31 March 2023	802
Depreciation	
At 1 April 2022	0
Charged in year	7
At 31 March 2023	7
Carrying amount at March 2023	795

10.83 The Authority is mitigating the liquidity risk inherent in maturity analysis by maintaining a reasonable level of reserves.

<b>Lease liabilities – maturity analysis</b>	<b>31 March 2023</b>
	<b>£'000</b>
Buildings	
Not later than one year	64
Later than one year but not later than 5 years	834
Less interest element	(96)
Present value of obligations	802

## **19. Related parties**

10.84 The Authority is accountable to the UK Parliament.

10.85 The Authority is an unclassified public body. It was funded and sponsored by the Department of Health and Social Care to 31 July 2015 and is part of DHSC consolidated accounts. The Department also provided funding to support the Accredited Registers scheme and to pay for advice commissioned from the Authority. The Department of Health and Social Care is regarded as a related party.

10.86 During the year to 31 March 2023, the Authority received no subvention in respect of the Accredited Registers programme (none in 2021/22) or other funding (none in 2021/22) from Department of Health and Social Care.

10.87 During the year to 31 March 2023, the Authority has not received any funding from any Devolved Administrations (none in 2021/22).

10.88 The HCPC belongs to the Department of Health and Social Care group and is regarded as a related party. During the year to 31 March 2023 the Authority has received £0.81m in respect of 2023/24 fee income (2021/22 £0.78 million in respect of 2022/23 fee income) from HCPC. In year to 31 March 2023 Authority has not received any income in respect of High Court cases under the Authority's Section 29 power (none in 2021/22).

10.89 The NMC belongs to the Department of Health and Social Care group and is regarded as a related party. During the year to 31 March 2023, the Authority has received £2.026m in respect of 2023/24 fee income from NMC (2021/22 £1.998m in respect of 2022/23 fee income). In addition to this Authority has received £38k from NMC in respect of seven High Court cases under the Authority's Section 29 power (2021/22: £34k).

10.90 The Authority maintains a register of interests for the Chair and Board members, which is available on the website. The register is updated on a

periodic basis by the Executive Secretary to reflect any change in Board members' interests. During the period ending 31 March 2023 no Board member undertook any related party transactions with the Authority (other than the standard remuneration detailed above in the Remuneration and Staff Report).

- 10.91 The senior management team is also asked to disclose any related party transactions. During 2022/23, there were no related party transactions to disclose (other than the standard remuneration detailed above in the Remuneration and Staff Report).

## **20. Losses and special payments**

- 10.92 Losses and special payments were individually and in total well below the reporting threshold of £300k.

## **21. Events after the reporting period**

- 10.93 These accounts were authorised for issue on the date they were certified by the Comptroller and Auditor General.

## **22. Financial Instruments**

- 10.94 Within the scope of IFRS 9 Financial Instruments, the Authority holds trade receivable and payables (notes 9 and 12), short-term investments (note 10) and cash and cash equivalents (note 11).

### **Financial risk management**

- 10.95 Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities.
- 10.96 Given the way the authority is financed, and that it has limited powers to borrow or invest surplus funds, and that its financial assets and liabilities are generated by day to day operational activities and are simple in nature, the Authority's exposure to financial risks is very low.
- 10.97 Receivables and payables that are due to mature or become payable within 12 months from the statement of financial position date have been omitted from all disclosures.

### **Currency risk**

- 10.98 The Authority is a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling-based. The Authority has no overseas operations. Therefore, the Authority has low exposure to currency rate fluctuations.

### **Interest rate risk**

- 10.99 The Authority had no borrowing and all fees from the regulators were received in 2022/23 so the Authority's exposure to this risk was very low. As of 31 March 2023, the Authority had a non-interest-bearing cash balance of £5,359k and £2,149k in a bank deposit generating a small amount of interest. The amounts stated also include £750k investment.

### **Credit risk**

10.100 Because the majority of the Authority's income comes from statutory fees payable by regulators the credit risk that the Authority is exposed to is low.

### **Liquidity risk**

10.101 The Authority relies primarily on fee income with statutory fees payable at the commencement of financial year therefore, the Authority has low exposure to liquidity risk. However, the timing of the receipt of statutory fees could potentially result in short-term cash flow issues. The Authority is mitigating this risk by maintaining a reasonable level of reserves.

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**Professional Standards Authority for Health and Social Care**  
16-18 New Bridge St  
London  
EC4V 6AG

Telephone: **020 7389 8030**  
Email: [info@professionalstandards.org.uk](mailto:info@professionalstandards.org.uk)  
Web: [www.professionalstandards.org.uk](http://www.professionalstandards.org.uk)