



# HQIP

Healthcare Quality  
Improvement Partnership

## **Report and Accounts**

31 March 2013

Company Limited by Guarantee  
Registration Number  
06498947 (England and Wales)  
Charity Registration Number  
1127049

## Contents

### Reports

Legal and administrative information	1
Trustees' report	2
Independent auditor's report	16

### Accounts

Statement of financial activities	18
Balance sheet	19
Cash flow statement	20
Principal accounting policies	21
Notes to the accounts	24

## Legal and administrative information

<b>Trustees</b>	Ms Janet Davies (Chair) Mr Richard Driscoll Mr Tim Golbourn (Treasurer) Mr Alastair Henderson Ms Anne Keatley-Clarke Dr Imran Rafi Dr Kevin Stewart Mr Jeremy Taylor (Vice-Chair)
<b>Chief Executive</b>	Ms Jane Ingham
<b>Registered office</b>	70 Wimpole Street London W1G 8AX
<b>Principal office</b>	Holland House 4 Bury Street London EC3A 5AW
<b>Telephone</b>	020 7469 2500
<b>Website</b>	<a href="http://www.hqip.org.uk">www.hqip.org.uk</a>
<b>E-mail</b>	<a href="mailto:communications@hqip.org.uk">communications@hqip.org.uk</a>
<b>Company registration number</b>	6498947 (England and Wales)
<b>Charity registration number</b>	1127049
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Lloyds TSB Plc 39 Threadneedle Street London EC2R 8AU
<b>Solicitors</b>	Cameron's Solicitors LLP 70 Wimpole Street London W1G 8AX

## **Trustees' report** Year to 31 March 2013

The trustees, who are also the directors for the purposes of the Companies Act, present their statutory report together with the financial statements of Healthcare Quality Improvement Partnership (HQIP) for the year ended 31 March 2013.

The report has been prepared in accordance with Part VIII of the Charities Act 2011 and is also a directors' report for the purposes of the Companies Act 2006 and other company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 21 to 23 of the attached financial statements and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice on 'Accounting and Reporting by Charities' (SORP 2005).

### **Structure, governance and management**

#### Governance

HQIP is a company limited by guarantee, Company Registration No. 6498947 incorporated on 11 February 2008. It was subsequently registered for charitable purposes with the Charity Commission for England and Wales on 4 December 2008 and placed on the Central Register of Charities under number 1127049. Its members comprise a consortium of three organisations who are individually the members of HQIP: the Academy of Medical Royal Colleges, the Royal College of Nursing, and National Voices. Their roles are set out in our Memorandum and Articles of Association. As allowed by our governing instruments, observers from related bodies who support our strategic governance are represented on the board.

#### Liability of the members

In the event of the charitable company being wound up during the period of membership, or within the year following, company members are required to contribute an amount not exceeding £10.

#### Structure and management reporting

Each organisation appoints representatives, acting as directors, who form the trustees of the organisation and the board of directors. If any person appointed by those organisations leaves their role, they also leave the board of HQIP and the member organisation must nominate a replacement who takes their place as a trustee. There are three representatives from each of the consortium members.

Normally a director is appointed for three years, but is eligible for re-appointment for a further three years.

**Structure, governance and management** (continued)

Structure and management reporting (continued)

The Board meets four times a year and additionally for special occasions. From their members they elect a Chair and a Treasurer. The secretariat role is provided by the partnership Chief Executive who is delegated to manage the charity and handle operational matters of policy. The trustees handle matters of strategic policy, including sign-off of the charity's strategic plan.

The following trustees served during the period, and were in office at 31 March 2013 except where shown:

<b>Trustee</b>	<b>Appointed / Resigned</b>
Prof. Sir Sarbaratnam Arulkumaran	Resigned September 2012
Ms Janet Davies (Chair)	
Ms Tina Donnelly	Resigned September 2012
Mr Richard Driscoll	
Mr Tim Golbourn (Treasurer)	
Mr Alastair Henderson	Appointed September 2012
Ms Anne Keatley-Clarke	
Dr Imran Rafi	
Dr Kevin Stewart	
Mr Jeremy Taylor (Vice-Chair)	

**Risk management**

A system for management of risk is in place and has been ratified by the trustees. Risks are minimised by internal quality control procedures and rigorous financial controls. The trustees believe that by monitoring reserves levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

**Employees**

The charity is an equal opportunities employer and will apply objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

Selection criteria and procedures are reviewed regularly to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees are given equal opportunity and, where appropriate and possible, special training to enable them to progress both within and outside the organisation.



**Structure, governance and management** (continued)

Statement of trustees' responsibilities

The trustees (who are also directors of HQIP for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently
- ◆ observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP)
- ◆ make judgements and estimates that are reasonable and prudent
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- ◆ the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

**Structure, governance and management** (continued)

Statement of trustees' responsibilities (continued)

The trustees are responsible for the maintenance and integrity of financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Objectives and activities**

HQIP's primary purpose is the protection and preservation of public health through charitable means of quality improvement. HQIP's primary role within this purpose is to reinvigorate clinical audit and to undertake other quality improvement activities.

Since April 2008 HQIP has been working under contract to the Department of Health in England in relation to the first of these aims to:

- ◆ promote engagement in clinical audit by healthcare professionals of all disciplines and specialties;
- ◆ create national and local partnerships between clinicians and patients/service users to optimise the impact of clinical audit;
- ◆ support local audit staff and create seamless links between national and local audit;
- ◆ foster active dissemination and implementation of audit results;
- ◆ ensure that evidence about participation in audit, and the results of audit, are used for secondary purposes, including for the revalidation of healthcare professionals;
- ◆ encourage audit in areas of low activity and links with audits outside of the NCAPOP framework; and
- ◆ engage all relevant stakeholders.

HQIP will also engage in other quality improvement activity subject to opportunity and funding, throughout the UK and beyond. HQIP works throughout the UK and forms funding relationships with all administrations. In this year HQIP also commissioned registers and databases and started work on promoting a version of clinical audit in social care settings.

During 2012 HQIP successfully re tendered for the management of the National Clinical Audit and Patient Outcomes Programme. The Board acknowledge and thank the staff of HQIP for their enthusiastic work on the tender development in what for them were uncertain times. There are changes in emphasis in the new contract which will fully come into play in the year 2013/14. This annual report effectively signs off the initial contract and work programme.

### **HQIP's vision**

The quality of the relationship between patient and clinician and the clinical team is at the heart of good care. At the national level, we believe that partnership between professional bodies and organisations that represent patients and service users is the key to revitalising clinical audit which will be the engine which drives improvement in practice. Also, only if healthcare professionals are at the centre, will clinical audit generate meaningful and complete information about outcomes and care processes for secondary purposes, including revalidation.

Our main business areas to achieve these aims in 2012-13 are summarised below (for more detail, our Business Plan for 2012-13 is available at [www.hqip.org.uk/aims-strategy](http://www.hqip.org.uk/aims-strategy)).

#### **◆ Development of national clinical audit**

This includes the procurement and contract management of the National Clinical Audit and Patient Outcomes Programme - NCAPOP and influencing and liaising with other national audits commissioned elsewhere, with these aims:

- ◆ Improving the effectiveness of the national audits funded by HQIP;
- ◆ Supporting best practice in national audit teams not funded by HQIP; and
- ◆ Developing audits that support national policy, especially in new areas of activity, and help develop audit capability (i.e. the ability to encourage change against standards) from registries and databases.

#### **◆ Improving and re-invigorating audit practice**

- ◆ Development of resources, guidance and training to improve skills and facilitate good audit practice and clinical governance;
- ◆ Building links between audit specialists across the country, including regional networks and the National Clinical Audit Forum (NCAF);
- ◆ Promoting quality improvement following participation in national audits;

#### **◆ Developing audit as a profession**

This area involves professionalisation of audit practice. It includes producing a strategy for developing training for audit for clinicians, including the development and support of training that meets defined standards and prepares individuals for their role in audit.

#### **◆ The promotion of the value of audit as part of individual professional re-certification and validation**

This role involves providing resources that support clinicians in undertaking effective clinical audits and quality improvement as part of professional revalidation.



**HQIP's vision** (continued)

- ◆ **The promotion of clinical audit within service accreditation, commissioning, regulation and performance management, both internally by organisations and of organisations**

This role involves helping ensure clinical audit is taken into consideration in the external regulation, commissioning and performance management of services, and as an internal quality assurance support to healthcare organisation management.

- ◆ **Helping support policy development**

HQIP supports the National Advisory Group on Clinical Audit and Enquiries (NAGCAE) and other policy organisations and groups to advise NHS England in formulating policy related to clinical audit and to develop their strategy.

These business areas set the agenda for our main areas of practice, and our operational activity has been delivered under these headings.

**Public Benefit**

When setting the objectives and planning the activities of the charity for the year, the trustees have given careful consideration to the Charity Commission's guidance on public benefit.

The activities undertaken by HQIP have been designed to improve and enhance clinical practice within the NHS and other publicly accessible care and treatment settings, and hence in the public interest and for the benefit of the public.

In improving the quality of clinical services offered to patients, their lives are improved considerably. By promoting best practice in conducting reviews of whether treatment is offered in line with guidance, HQIP ensures that clinicians audit their work with the result that the quality of care is enhanced. In this way the public is assured that treatment is the best it could be, and clinicians test how well their work compares to the highest standards.

In our work to promote patient and public involvement in clinical audit, we further promote public benefit by ensuring they are sponsors and active within audit programmes.

HQIP does not use volunteers, but we do maintain a panel of patients and consumers of services who advise and quality assure our work on ensuring patient interests.

**Achievement and performance**

HQIP fully delivered on its contracted work on clinical audit in line with the targets and KPIs set out in our strategic plan and annual business plan for 2012-13.

### **Key activities**

#### **Enhancement of national clinical audit as a quality improvement tool**

- ◆ Initiated work to improve clinician use of national audit findings by the appointment of an Improvement Science London and Quality Improvement Fellow to review the outputs from audits and how best to present findings to support local activity to improve the quality of patient care.
- ◆ Enhanced our methodological capacity through partnering with Imperial College (CHIR).
- ◆ Established an advisory group, comprising representatives of professional, manager and patient organisations to aid decision making and support HQIP to provide pertinent and credible guidance and training to those involved in audit and quality improvement.
- ◆ Facilitated 10 specialties, through their Societies, to work towards publishing consultant level outcome data.
- ◆ Promoted clinical audit internationally, especially in Europe, by hosting an international seminar on registers and audits in partnership with the European Society for Quality In Healthcare (ESQH). The National Lead for Quality Improvement and Development provided keynote speeches at national conferences in Ireland and Italy.
- ◆ Initiated recruitment for a medical director to increase and improve our interaction with clinicians.

#### **Commissioning and procurement of national audits and confidential enquiries**

We effectively managed a large group of audits, and confidential enquiries and improved their quality through contracting, learning, advice and guidance. We planned to:

- ◆ Commission 5 new audits;
- ◆ Review 5 audits and 2 clinical outcome review programmes as the contracts expired;
- ◆ Move 9 audits to a new funding structure;
- ◆ Actively promote and share audit reports in a greater level of detail in line with the Government's commitment to transparency;
- ◆ Continue to work with audit leads to populate data.gov.uk;
- ◆ Continue to support clinical registers and databases, including the Congenital Anomaly registers by commissioning 5 new disease specific registers.

**Key activities** (continued)

**The National Joint Registry (NJR)**

- ◆ We managed the contract for the NJR, provided support to the NJRSC and its sub-committees and overall management of the registry's business activity, to achieve greater levels of effectiveness and relevance to local clinicians, manufacturers and patients in line with the strategic plan.
- ◆ The NJR was extended to cover Northern Ireland and to incorporate elbow and shoulder joints.
- ◆ There was further international liaison including exploration of data sharing.
- ◆ Work to improve data quality and risk adjustment continued, enabling enhanced levels of data reporting.
- ◆ New ways of funding the NJR were explored to establish how costs could be shared with implant manufacturers and potentially reduced for the NHS.
- ◆ Pilot work, sponsored by the QIPP team at DH, was undertaken on a Price Benchmarking Project aimed at highlighting price variation in procurement of orthopaedic implants across England and Wales with a view to rolling out an online reporting tool capable of linking cost and quality data.
- ◆ The NJR Patient Network was established to inform its business activity and work programme.
- ◆ Two NJR research fellows were recruited to work with NJR. Notable publications included 2 BMJ publications and one Lancet publication, all publishing findings which attracted media interest.

**Clinical audit re-invigoration and promotional activity**

- ◆ We continued to work closely with key stakeholders, in partnership wherever possible, to develop shared use of audit findings and processes to influence and support the work of other agencies, including NICE and CQC, amongst many others.
- ◆ We continued to support the key audiences for our work with six eLearning packages for patients, GP, junior clinicians and Non-Executives, online resources and regional workshops for board members, clinicians, audit specialists and patients and trust PPI leads.
- ◆ We provided an expanded range of regional road-shows aimed at:
  - ◇ local clinicians sharing good practice and a discussion session with national audit providers.
  - ◇ non-executive directors (NED) on the NED's role in quality improvement.
  - ◇ ambulance service NEDs and audit specialists.
- ◆ We further developed methods of sharing best practice between individuals and organisations through improving and promoting our case study webpage and increasing the number of projects. We also provided a platform for local clinicians and managers to share best practice with their regional colleagues.



**Key activities** (continued)

**Clinical audit re-ignoration and promotional activity** (continued)

- ◆ HQIP's Service User Network was instrumental in the development and production of several tools to help increase patient participation in quality improvement, including an eLearning programme for service users and the public and guidance on developing a patient panel.
- ◆ We continued to promote audit methods in social care, including development of a suite of materials for local use within the sector.

**Plans for future periods**

Our Business Plan for 2013-14 sets out what we will do in the forthcoming financial year. Part of this work includes an assessment of the changes and opportunities that the new NHS England contract brings, for example:

- ◆ A focus on supporting the use of national audit data by clinical teams to improve the quality of local patient services and outcomes.
- ◆ Provide quality methodological support to national audits to support high quality audit data that can be used for quality assurance and quality improvement. Establish links with academic teams to enhance this expertise.
- ◆ Develop an audit assessment framework and tool to support audit suppliers to work to the highest standards.
- ◆ Work to fully engage the clinical community in HQIP's activities and provide clinical leadership through the appointment of a medical director.
- ◆ Explore the potential for HQIP to support development of other quality improvement approaches, eg accreditation.

Specifics include work in the following areas:

**National Audit and Patient Outcomes Programme (NCAPOP)**

- ◆ Working collaboratively with Imperial College (CHIR) to deliver audit assessment framework and methodological support.
- ◆ Review the procurement process to ensure projects are specified in more depth prior to the tender process allowing clinicians to be fully engaged.
- ◆ Further develop the data access process to ensure the fair access for all relevant parties.
- ◆ Leading process for the public release of 10 sets of consultant specific outcome data. This included supporting 3 non-NCAPOP audits to deliver and publish via a public portal.



**Plans for future periods** (continued)

The National Joint Registry (NJR)

- ◆ The appointment of a Medical Director for the NJR to provide clinical leadership and implementation of new organisational arrangements to ensure continued delivery of the NJR strategic programme.
- ◆ Showcasing NJR work at major events scheduled to celebrate the NJR 10<sup>th</sup> Anniversary and the BOA Congress.
- ◆ Hosting the annual ISAR (International Society of Arthroplasty Registers) conference in England.
- ◆ Development of the electronic NJR Clinician Feedback System for use in clinician appraisal.
- ◆ Extension of NJR PROMs to 3/5 year follow-up and completing analysis of year one PROMs data.
- ◆ Development of an electronic 'clinician profile system' to support the publication of surgeon level outcome data.
- ◆ Rolling out the NHS Procurement orthopaedic pilot study nationally across England and NHS Wales.
- ◆ Development of NJR patient implant cards.

Supporting Quality Improvement in Patient Care

- ◆ Review of existing products, including training materials, in conjunction with some of the original authors and external stakeholders. Areas for development, such as training and guidance on other quality improvement methods, are also being developed with representatives of our audience.
- ◆ Regional workshops on planning for action and change management are in development for audit specialists and clinicians.
- ◆ Workshops for general practitioners in significant event audit for revalidation.
- ◆ Hold a national two day conference on 'Ensuring safety, driving improvement'. In addition to keynote speeches, master-classes and workshops, the conference will feature a national audit pavilion with representatives from NCAPOP audits and clinical outcome review projects to meet with fellow delegates. There will be an awards ceremony for HQIP-funded national clinical audit and patient outcome projects with winners voted for by the delegates on day one.

## **Finance report for the year**

### **Results for the year**

#### *Income*

During the year ended 31 March 2013, HQIP received income totalling £20,340,484 (2012: £14,648,188) of which £18,860,507 (2012: £13,181,257) was for restricted purposes, and £1,479,977 (2012: £1,466,931) was for the general purposes of the charity including running costs of £919,041 (2012: £937,668). Income included £8,929,877 (2012: £7,482,583) to fund the National Clinical Audit and Patient Outcomes Programme (NCAPOP) plus subscriptions of £2,615,302 (2012: £nil), £34,183 (2012: £34,183) to extend two audit projects to Scotland, and £45,042 (2012: £38,286) for members' expenses and secretariat costs incurred by the National Advisory Group on Clinical Audit and Enquiries (NAGCAE).

HQIP took over management of the Clinical Outcome Review Programmes in September 2011. In 2013, income for running costs in was £135,932 (2012: £108,422); and for programmes (the confidential enquiries), income of £2,545,038 (2012: £1,523,140) was collected from all UK Administrations. In addition, grants of £161,780 (2012: £62,160) were received from the Scottish Government.

Contributions of £24,020 toward costs of the National Review of Asthma Deaths were received from the Devolved Administrations (2012: £93,020).

Funding of £99,000 (2012: £nil) was received from the Department of Health to commission a review of data relating to children presenting at hospital with head injuries. £120,000 (2012: £nil) was received to fund multi-site audit projects, and £120,000 (2012: £nil) to support the development of registers and databases. £37,482 (2012: £nil) was received to fund work on audit methodologies.

Funding of £53,831 (2012: £nil) was received for a pilot project enabling better understanding of the benefits of using audit methods in social care settings, initially in dementia care services.

Income of £550,000 (2012: £382,216) was received for Congenital Anomalies Surveillance in England, including support to the British Isles Network of Congenital Anomalies Registers.

HQIP's core contract with the Department of Health included income of £400,000 (2012: £400,000) to support the reinvigoration of clinical audit, and £80,000 (2012: £80,000) to run national events for clinical audit practitioners.

The National Joint Registry (NJR) is financed by a levy on the sale of hip, knee and ankle implants to the NHS and independent healthcare providers in England, Wales and Northern Ireland. During 2012-13 HQIP collected levies totalling £3,292,579 (2012: £3,131,630). Other income was £58,840 (2012: £982). NJR income is held in a separate bank account to be used solely to fund the work of the Registry.



**Results for the year** (continued)

**Expenditure**

During the year to 31 March 2013, HQIP financed 30 (2012: 29) national clinical audit contracts at a total cost of £7,863,288 (2012: £7,631,217); 7 (2012: 9) multi-site or regional audit projects at a total cost of £64,776 (2012: £93,552) and funded 7 (2012: 8) condition specific databases and registers at a total cost of £66,118 (2012: £92,115). All programmes are listed overleaf.

2012-13 was the first full year during which HQIP managed the Clinical Outcome Review Programmes. Total expenditure for the period was £3,123,444 (2012: £1,174,232) including transition and running costs of £35,814 (2012: £83,477); governance of costs of £6,436 (2012: £2,116). Expenditure on programmes was £2,879,963 (2012: £991,492).

Expenditure on the National Review of Asthma Deaths was £280,896 (2012: £165,889).

HQIP spent £2,509,721 (2012: £2,831,850) on the management and development of the National Joint Registry. A total of £579,995 (2012: £465,588) was spent on congenital anomalies surveillance in England.

Expenditure on a project to improve the pathological diagnosis of lung cancer was £67,127 (2012: £85,037).

The charity spent £724,468 (2012: £700,484) on the reinvigoration of clinical audit including £60,427 (2012: £49,292) on related events. Work was begun to adapt clinical audit methodologies for use in social care settings, expenditure on this was £70,533 (2012: £26,520). At 31 March 2013 HQIP retained designated funds totalling £10,718 (2012: £256,924) for these purposes.

Other direct charitable expenditure, including support costs, totalled £1,104,306 (2012: £830,459) and governance costs were £26,455 (2012: £15,714).

**Financial position**

The balance sheet at 31 March 2013 shows total funds of £9,044,533 (2012: £5,185,176). Restricted funds totalling £8,343,341 (2012: £4,291,342) and unrestricted funds comprising general funds of £675,894 (2012: £624,499); tangible fixed asset funds of £14,580 (2012: £12,411) and designated funds of £10,718 (2012: £256,924).

At 31 March 2013, the charity retained free reserves of £675,894 (2012: £624,499).

**Reserves policy**

The trustees have examined the requirement for free reserves, i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The current policy is that the level of free reserves should be equivalent to three to six month's staffing and lease commitments (£498,338 to £996,676). The actual free reserves of £675,894 fall within this range.

**National Audits funded in 2012-13**

Bowel Cancer  
Cardiac Ambulance Services  
Cardiac Intervention  
Cardiac Surgery  
Carotid Interventions  
Childhood Epilepsy  
Chronic Obstructive Pulmonary Disease  
Congenital Heart Disease  
Continence Care  
Dementia Care (in-patient)  
Diabetes in Adults  
Emergency Laparotomy  
Falls and Fragility Fracture  
Head and Neck Cancer  
Heart Failure  
Heavy Menstrual Bleeding  
Inflammatory Bowel Disease  
Lung Cancer  
Myocardial Ischaemia  
National Hip Fracture Database  
National Vascular Registry  
Neonatal Care  
Oesophageal Gastric Cancer  
Paediatric Diabetes  
Paediatric Intensive Care  
Pain Database  
Psychological Therapies  
Schizophrenia  
Sentinel Stroke/Stroke Intervention  
Sudden Arrhythmic Death Syndrome

**Clinical Outcome Review Programmes funded in 2012-13**

Child Health Review  
Children's Head Injury Project  
Maternal, Newborn and Infant Programme  
National Confidential Enquiry into Patient Outcome and Death  
National Confidential Enquiry into Suicide and Homicide by People with Mental Illness  
National Review of Asthma Deaths

**Multi-Site Audits funded in 2012-13**

Bilateral Paediatric Cochlear Implantation  
Mortality post Systemic Anti-Cancer Therapy  
Preparation for Pregnancy in Women with Diabetes  
Prescribing of Breakthrough Opioid Analgesia in Acute Hospitals  
Safeguarding Children in General Practice  
UK Renal Registry  
Urinary Tract Infections in Children



**Trustees' report** Year to 31 March 2013

**Registers funded in 2012-13**

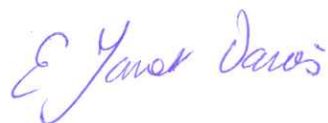
**Congenital Anomalies Surveillance**

British Isles Network of Congenital Anomalies Registers  
Congenital Anomaly Register for Oxford, Berkshire and Buckinghamshire  
National Down's Syndrome Cytogenetic Register  
Northern Congenital Anomalies Register

**Other Registers and Databases**

Child and Adolescent Psychiatry Surveillance System  
Database of Alkaptonuria Patients  
Gastro Intestinal Neuromuscular Disease Register  
Henoch Registry  
Idiopathic Intracranial Hypertension Database  
Interstitial Lung Disease Registry  
Vasculitis Register

Approved by the trustees and signed on their behalf by:



Trustee

Approved by the trustees on:

9/10/13

**Independent auditor's report to the members of Healthcare Quality Improvement Partnership**

We have audited the financial statements of Healthcare Quality Improvement Partnership for the year ended 31 March 2013 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditor**

The trustees are also the directors of the charitable company for the purposes of company law. As explained more fully in the Trustees' Responsibilities Statement set out in the Trustees' Annual Report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

**Opinion on financial statements** (continued)

- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

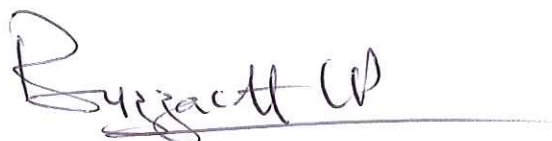
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.



Avnish Savjani, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

11 October 2013

## Statement of financial activities Year to 31 March 2013

	Notes	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
<b>Income and expenditure</b>					
<b>Incoming resources</b>					
Incoming resources from generated funds					
. Voluntary income	1	—	161,780	<b>161,780</b>	270,760
. Interest receivable	2	41,435	17,601	<b>59,036</b>	56,303
Incoming resources from charitable activities					
. Management, development and promotion of clinical audit	3	1,427,251	18,681,126	<b>20,108,377</b>	14,310,630
Other income					
. Miscellaneous income		11,291	—	<b>11,291</b>	10,495
<b>Total incoming resources</b>		<u>1,479,977</u>	<u>18,860,507</u>	<b><u>20,340,484</u></b>	<u>14,648,188</u>
<b>Resources expended</b>					
Charitable activities					
. Management, development and promotion of clinical audit	4	1,649,184	14,805,488	<b>16,454,672</b>	14,169,427
Governance costs	6	23,435	3,020	<b>26,455</b>	15,714
<b>Total resources expended</b>		<u>1,672,619</u>	<u>14,808,508</u>	<b><u>16,481,127</u></b>	<u>14,185,141</u>
<b>Net (expenditure) income for the period/ movement in funds</b>	7	<u>(192,642)</u>	<u>4,051,999</u>	<b><u>3,859,357</u></b>	<u>463,047</u>
Balances brought forward at 1 April 2012		893,834	4,291,342	<b>5,185,176</b>	4,722,129
<b>Balances carried forward at 31 March 2013</b>		<u>701,192</u>	<u>8,343,341</u>	<b><u>9,044,533</u></b>	<u>5,185,176</u>

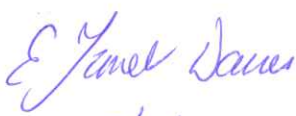

All gains and losses arising in the period have been included in the statement of financial activities and relate to continuing operations.



**Balance sheet** 31 March 2013

	Notes	2013 £	2013 £	2012 £	2012 £
<b>Fixed assets</b>					
Tangible fixed assets	11		<b>14,580</b>		12,411
<b>Current assets</b>					
Debtors	12	<b>6,630,133</b>		2,718,148	
Cash at bank and in hand		<b>8,298,217</b>		<u>8,270,389</u>	
		<b>14,928,350</b>		10,988,537	
<b>Creditors:</b> amounts falling due within one year	13	<b>5,898,397</b>		<u>5,815,772</u>	
<b>Net current assets</b>			<b>9,029,953</b>		5,172,765
<b>Total net assets</b>			<b>9,044,533</b>		<u>5,185,176</u>
<b>Represented by:</b>					
<b>Funds and reserves</b>					
<b>Income funds:</b>					
Restricted funds	14		<b>8,343,341</b>		4,291,342
Unrestricted funds					
. General fund		<b>675,894</b>		624,499	
. Tangible fixed assets fund	15	<b>14,580</b>		12,411	
. Designated funds	16	<b>10,718</b>		<u>256,924</u>	
			<b>701,724</b>		893,834
			<b>9,044,533</b>		<u>5,185,176</u>

Approved by the trustees of Healthcare Quality Improvement Partnership company registration number 06498947 (England and Wales) and signed on their behalf by:

Trustee   
 Approved on: 

## Cash flow statement Year to 31 March 2013

	Notes	2013 £	2012 £
Cash (outflow) inflow from operating activities	A	(22,684)	2,586,166
Returns on investments and servicing of finance	B	59,036	56,303
Capital expenditure and financing investments	C	(8,524)	(9,937)
<b>Increase in cash</b>		<b>27,828</b>	<b>2,632,532</b>

Notes to the cash flow statement for the year to 31 March 2013

### A Adjustment of net incoming resources to net cash (outflow) inflow from operating activities

	2013 £	2012 £
Net incoming resources	3,859,357	463,047
Depreciation charge	6,355	12,155
Interest receivable	(59,036)	(56,303)
(Increase) decrease in debtors	(3,911,985)	897,354
Increase in creditors	82,625	1,269,913
<b>Net cash (outflow) inflow from operating activities</b>	<b>(22,684)</b>	<b>2,586,166</b>

### B Gross cash flows

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	59,036	56,303

### C Capital expenditure and financial investment

	2013 £	2012 £
Payments to acquire tangible fixed assets	(8,524)	(9,937)

### Analysis of changes in net funds

	At 1 April 2012 £	Cash flows £	At 31 March 2013 £
Cash at bank and in hand	8,270,389	27,828	<b>8,298,217</b>

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act 2006. The principles set out in applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) and those contained within the Statement of Recommended Practice “Accounting and Reporting by Charities” (SORP 2005) have been followed in these financial statements.

**Incoming resources**

Incoming resources are recognised net of VAT in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Funding from government and other agencies have been included as income from charitable activities where these amount to either a contract for services or the charity has acted as agents. However where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding, then this has been treated as a donation.

**Resources expended and the basis of apportioning costs**

Expenditure is included in the statement of financial activities when incurred and excludes attributable VAT where it can be recovered.

Resources expended comprise the following:

- a. The costs of activities in furtherance of the charity’s objects comprise expenditure on the charity’s primary charitable purposes as described in the trustees’ report. Such costs include:
  - ◆ National Clinical Audit and Patient Outcomes Programme: amounts expended on the commissioning of national clinical audits
  - ◆ NAGCAE (National Advisory Group on Clinical Audit and Enquiries): members’ expenses and cost of meetings
  - ◆ Clinical Outcome Review Programmes: amounts spent on the management of four confidential enquiries (medical and surgical, mental health, maternal and infant, child health) and the National Review of Asthma Deaths
  - ◆ National Joint Registry: expenditure relating to the management of the contract for the Registry



**Resources expended and the basis of apportioning costs** (continued)

- ◆ Congenital Anomalies Surveillance and support to other condition specific registers and databases.
- ◆ Reinvigoration of audit and events:
  - ◇ Reinvigoration: expenditure relating to the promotion and advancement of clinical audit as a means of improving the provision of healthcare
  - ◇ Events: the hosting of local and national events for audit practitioners, including seminars and conferences for local audit specialists
- b. Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment. Such costs are allocated across the activities of the charity based on an estimate of staff time.
- c. Governance costs are the costs of governance arrangements which relate to the general running of the charity and include audit fees, any legal advice for trustees and costs associated with constitutional and statutory requirements e.g. the cost of trustees' meetings and preparing statutory financial statements.

**Tangible fixed assets**

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised.

Depreciation is provided at the following annual rates in order to write each asset off over its estimated useful life:

- ◆ Computer and similar equipment                      33% per annum based on cost
- ◆ Furniture and general office equipment              20% per annum based on cost

**Fund accounting**

Restricted funds comprise monies whose use is restricted to, a specific purpose, or is subject to donor imposed conditions.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

The tangible fixed assets fund comprises the net book value of charity's tangible fixed assets, the existence of which is fundamental to the charity being able to perform its charitable work and thereby achieve its charitable objectives. The value represented by such assets should not be regarded, therefore, as realisable.

**Fund accounting** (continued)

General unrestricted funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

**Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

**Pension costs**

a. NHS scheme:

It is not possible for HQIP to identify its share of the underlying scheme liabilities in relation to the NHS final salary pension scheme, consequently the scheme is accounted for as a defined contribution scheme and the cost of the scheme is equal to the contributions payable to the scheme for the accounting period. Those employers contributing under Direction status have their pension cost contributions charged to operating expenses as and when they become due.

b. Defined contribution scheme:

The cost of the scheme is equal to the contributions payable to the scheme for the accounting period.

**Notes to the accounts** 31 March 2013

**1 Voluntary income**

	Unrestricted funds £	Restricted funds £	<b>Total 2013 £</b>	Total 2012 £
The Health Foundation Grant	—	—	—	40,000
Government Grants	—	161,780	<b>161,780</b>	62,160
Eli Lilly & Co Ltd	—	—	—	168,600
	—	161,780	<b>161,780</b>	270,760

**2 Interest receivable**

	Unrestricted funds £	Restricted funds £	<b>Total 2013 £</b>	Total 2012 £
Bank interest receivable	41,435	17,601	<b>59,036</b>	56,303

**3 Incoming resources from charitable activities**

	Unrestricted funds £	Restricted funds £	<b>Total 2013 £</b>	Total 2012 £
<b>Income from Contracts</b>				
Department of Health England				
. Management support fee	919,041	—	<b>919,041</b>	937,668
. NCAPOP National Audits	—	8,929,877	<b>8,929,877</b>	7,482,583
. NCAPOP Subscriptions	—	2,615,302	<b>2,615,302</b>	—
. NCAPOP administration fees	28,210	—	<b>28,210</b>	—
. Audit Methodology	—	37,482	<b>37,482</b>	—
. NCAPOP Support Costs	—	20,000	<b>20,000</b>	—
. CORP Transition Costs	—	—	—	98,500
. CORP Running Costs	—	135,932	<b>135,932</b>	108,422
. Congenital Anomalies Surveillance	—	550,000	<b>550,000</b>	382,216
. NAGCAE	—	45,042	<b>45,042</b>	38,286
. Head Injuries project	—	99,000	<b>99,000</b>	—
. Dementia Care Audit Pilot Project	—	53,831	<b>53,831</b>	—
. Multi-Site Audit Funding	—	120,000	<b>120,000</b>	—
. Registry Development	—	120,000	<b>120,000</b>	—
. Reinvigoration of clinical audit	400,000	—	<b>400,000</b>	400,000
. Events	80,000	—	<b>80,000</b>	80,000
	<b>1,427,251</b>	<b>12,726,466</b>	<b>14,153,717</b>	<b>9,527,675</b>
All UK Administrations				
. National Review of Asthma Deaths	—	24,020	<b>24,020</b>	93,020
. CORP Programme income	—	2,545,038	<b>2,545,038</b>	1,523,140
. NCAPOP (Scottish Contribution)	—	34,183	<b>34,183</b>	34,183
Other				
. NJR Levy income	—	3,292,579	<b>3,292,579</b>	3,131,630
. NJR other income	—	58,840	<b>58,840</b>	982
	—	5,954,660	<b>5,954,660</b>	4,782,955
	<b>1,427,251</b>	<b>18,681,126</b>	<b>20,108,377</b>	<b>14,310,630</b>



4 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
<b>Management, development and promotion of clinical audit</b>				
<b>National Clinical Audit and Patient Outcomes Programme (NCAPOP)</b>				
. NCAPOP national audits	—	7,863,288	<b>7,863,288</b>	7,631,217
. NCAPOP Scottish extensions	—	—	—	34,183
. NCAPOP retendering	—	24,453	<b>24,453</b>	45,576
. Methodological Support	—	25,000	<b>25,000</b>	—
. Outcomes Publication (Surgeon Level Data)	—	1,328	<b>1,328</b>	—
. Transition costs	—	21,308	<b>21,308</b>	57,037
. Regional and multi-site audits	—	64,776	<b>64,776</b>	93,552
. Staff costs	545,093	7,497	<b>552,590</b>	467,546
. Support costs	362,885	—	<b>362,885</b>	260,300
. Bad debt expense	—	72,196	<b>72,196</b>	—
	907,978	8,079,846	<b>8,987,824</b>	8,589,411
<b>National Joint Registry (NJR)</b>				
. NJR programme costs	—	2,138,089	<b>2,138,089</b>	2,494,677
. Staff costs	—	227,200	<b>227,200</b>	217,525
. Support costs	—	144,432	<b>144,432</b>	119,648
	—	2,509,721	<b>2,509,721</b>	2,831,850
<b>Clinical Outcomes Review Programmes (CORP) – Confidential Enquiries</b>				
. Programme costs	—	2,879,963	<b>2,879,963</b>	991,492
. Transition and running costs	—	35,814	<b>35,814</b>	83,477
. Head Injuries project	—	51,459	<b>51,459</b>	—
. Staff costs	—	115,172	<b>115,172</b>	65,123
. Support costs	—	34,300	<b>34,300</b>	32,024
. Governance	—	6,436	<b>6,436</b>	2,116
	—	3,123,144	<b>3,123,144</b>	1,174,232
<b>National Review of Asthma Deaths</b>				
	—	280,896	<b>280,896</b>	165,889
<b>Congenital Anomalies Surveillance</b>				
. Support costs	—	579,995	<b>579,995</b>	443,496
	—	—	—	22,092
	—	579,995	<b>579,995</b>	465,588
<b>Other Registers and Databases</b>				
	—	66,118	<b>66,118</b>	92,115
<b>Diagnosis of Lung Cancer Project</b>				
. Support costs	—	67,127	<b>67,127</b>	63,037
	—	—	—	22,000
	—	67,127	<b>67,127</b>	85,037
<b>NAGCAE</b>				
. Members' expenses and meeting costs	—	28,219	<b>28,219</b>	22,315
. Staff costs	—	16,627	<b>16,627</b>	15,986
	—	44,846	<b>44,846</b>	38,301
Carried forward	907,978	14,751,693	<b>15,659,671</b>	13,442,423

**Notes to the accounts** 31 March 2013

**4 Charitable activities** (continued)

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Brought forward	907,978	14,751,693	<b>15,659,671</b>	13,442,423
<b>Reinvigoration of Clinical Audit</b>				
. Product development	130,497	—	<b>130,497</b>	97,071
. Education and training	73,727	—	<b>73,727</b>	107,143
. Events	60,427	—	<b>60,427</b>	49,292
. THF Demonstration Project	—	—	—	21,737
. Staff costs	279,276	—	<b>279,276</b>	275,681
. Support costs	180,541	—	<b>180,541</b>	149,560
	<u>724,468</u>	<u>—</u>	<u><b>724,468</b></u>	<u>700,484</u>
<b>Audit and Social Care</b>				
. Development work	6,573	—	<b>6,573</b>	8,498
. Dementia Care Audit Pilot Project	—	39,280	<b>39,280</b>	—
. Staff costs	10,165	14,515	<b>24,680</b>	18,022
	<u>16,738</u>	<u>53,795</u>	<u><b>70,533</b></u>	<u>26,520</u>
	<u>1,649,184</u>	<u>14,805,488</u>	<u><b>16,454,672</b></u>	<u>14,169,427</u>

**5 Support costs**

	Total 2013 £	Total 2012 £
Staff costs	<b>319,356</b>	293,294
Staff training	<b>12,885</b>	5,737
Staff recruitment	<b>12,684</b>	11,996
Advertising and publicity	<b>22,306</b>	12,508
Financing and bank charges	<b>1,295</b>	1,001
Communications resources	<b>3,520</b>	13,633
Premises costs (rent and facilities charges)	<b>184,671</b>	148,407
Computer equipment and software	<b>10,481</b>	13,368
IT support	<b>22,424</b>	25,087
Printing and stationery	<b>20,896</b>	10,795
Postage	<b>2,879</b>	1,111
Telephone	<b>8,903</b>	5,996
Other accommodation costs and room hire	<b>1,450</b>	1,695
Travel, subsistence and accommodation	<b>4,504</b>	4,058
Catering	<b>7,907</b>	3,620
Subscriptions	<b>6,832</b>	3,401
Communications	<b>20,779</b>	6,620
Other meeting and premises costs	<b>8,754</b>	4,543
Insurance	<b>12,398</b>	13,260
Professional Fees – HR consultancy	<b>26,624</b>	7,382
Miscellaneous expenses	<b>4,255</b>	5,957
Depreciation	<b>6,355</b>	12,155
	<u><b>722,158</b></u>	<u>605,624</u>

**Notes to the accounts** 31 March 2013

**5 Support costs** (continued)

Support costs have been allocated on the basis of staff time expended in each area as follows:

	<b>Total 2013 £</b>	Total 2012 £
Contract Management and Commissioning	<b>362,885</b>	260,300
CORP	<b>34,300</b>	32,024
National Joint Registry	<b>144,432</b>	119,648
Congenital Anomalies Surveillance	—	22,092
Diagnosis of Lung Cancer Project	—	22,000
Reinvigoration of Clinical Audit	<b>144,432</b>	119,648
Events	<b>36,109</b>	29,912
	<b>722,158</b>	605,624

**6 Governance costs**

	Unrestricted funds £	Restricted funds £	<b>Total 2013 £</b>	Total 2012 £
Audit fees	12,080	3,020	<b>15,100</b>	15,200
Legal and professional fees	11,143	—	<b>11,143</b>	514
Trustee expenses	212	—	<b>212</b>	—
	<b>23,435</b>	<b>3,020</b>	<b>26,455</b>	15,714

**7 Net movement in funds**

This is stated after charging:

	Unrestricted funds £	Restricted funds £	<b>Total 2013 £</b>	Total 2012 £
Staff costs (note 8)	1,153,890	381,011	<b>1,534,901</b>	1,353,177
Auditors' remuneration				
. Statutory audit services				
.. Current year	12,080	3,020	<b>15,100</b>	14,800
.. Prior year under provision	—	—	—	400
. Other services	19,129	—	<b>19,129</b>	37,445
Depreciation	6,355	—	<b>6,355</b>	12,155
Operating lease rentals	161,245	—	<b>161,245</b>	127,500



**Notes to the accounts** 31 March 2013

**8 Employees and staff costs**

Staff costs during the period were as follows:

	2013 £	2012 £
Wages and salaries	1,216,841	1,033,413
Social security costs	128,649	108,524
Pension costs (Scottish Equitable)	54,573	45,072
Pension costs (NHS)	26,023	26,764
	<b>1,426,086</b>	<b>1,213,773</b>
Pensions admin fees and income protection insurance	1,700	3,200
Cost of secondments	25,929	—
Cost of agency staff	27,545	25,790
Consultancy fees	53,641	110,414
	<b>1,534,901</b>	<b>1,353,177</b>

Staff costs have been allocated as follows:

	2013 £	2012 £
Contract Management and Commissioning	552,590	467,546
NAGCAE	16,627	15,986
National Joint Registry	227,200	217,525
Reinvigoration of Clinical Audit	279,276	275,681
Audit & Social Care	10,165	18,022
Clinical Outcomes Review Programmes (CORP)	115,172	65,123
The Health Foundation Project	14,515	—
Support costs	319,356	293,294
	<b>1,534,901</b>	<b>1,353,177</b>

The average number of employees during the period and the actual numbers at 31 March 2013, calculated on a full time equivalent basis, analysed by function, was as follows:

	2013 Average Number	Actual number at 31 March 2013	2012 Average Number	Actual number at 31 March 2012
Charitable activities				
. Contract Management and Commissioning	6.6	8	6.1	7
. Clinical Outcomes Review Programmes	1.9	2	1.1	2
. NJR & National Development Team	5.1	6	4.9	6
. Reinvigoration of Audit & Events	5.0	5	4.7	5
. Support	2.5	4	3.6	4
. Management and administration	3.7	4	3.0	3
	<b>24.8</b>	<b>29</b>	<b>23.4</b>	<b>27</b>

**8 Employees and staff costs** (continued)

The number of employees earning more than £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the period was as follows:

	2013 £	2012 £
£60,000 - 70,000	2	2
£70,001 - 80,000	2	1
£80,001 - 90,000	1	1
	<b>5</b>	<b>4</b>

HQIP made contributions to defined contribution pension schemes totalling £32,087 (2012: £23,072) in respect of these employees.

**9 Trustees' remuneration**

None of the trustees received any remuneration in respect of their services during the period (2012: £nil).

During the year out of pocket travelling expenses amounting to £212 were reimbursed to one trustee (2012: £nil).

The charity has purchased insurance to protect the charity from any loss arising from the neglect or defaults of its trustees, employees and agents and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the period totalled £7,420 (2012: £7,969) and provides cover of up to a maximum of £10 million (any one claim or the aggregate during one period of insurance – being 12 months).

**10 Taxation**

HQIP is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

**11 Tangible fixed assets**

	Fixtures, fittings & equipment £
<b>Cost</b>	
At 1 April 2012	43,869
Additions	8,524
At 31 March 2013	<b>52,393</b>
<b>Depreciation</b>	
At 1 April 2012	31,458
Charge for year	6,355
At 31 March 2013	<b>37,813</b>
<b>Net book values</b>	
<b>At 31 March 2013</b>	<b>14,580</b>
At 31 March 2012	12,411

**Notes to the accounts** 31 March 2013

**12 Debtors**

	2013 £	2012 £
Trade debtors	4,860,601	1,776,213
Prepayments and other debtors	637,811	427,721
Accrued income	1,131,721	514,214
	<b>6,630,133</b>	<b>2,718,148</b>

**13 Creditors: amounts falling due within one year**

	2013 £	2012 £
Trade creditors	2,595,497	2,720,399
Other creditors	47,832	42,900
VAT payable	560,653	660,247
Accruals	1,609,415	395,840
Deferred income	1,085,000	1,996,386
	<b>5,898,397</b>	<b>5,815,772</b>

**14 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of grants held on trust to be applied for specific purposes:

	At 1 April 2012 £	Incoming resources £	Expenditure £	Transfers £	At 31 March 2013 £
NCAPOP	129,200	8,914,877	7,863,288	2,538,653	<b>3,719,442</b>
NCAPOP Subscriptions	—	2,615,302	72,196	(2,543,106)	—
Audit methodology	—	37,482	25,000	—	<b>12,482</b>
Outcomes Publication (Surgeon Level Data)	—	15,000	8,825	—	<b>6,175</b>
NCAPOP Scottish extensions	—	34,183	—	—	<b>34,183</b>
NCAPOP transition costs	97,222	—	21,308	—	<b>75,914</b>
NCAPOP retendering	—	20,000	24,453	4,453	—
NAGCAE	(66)	45,042	44,846	—	<b>130</b>
Multi-site/Regional audits	127,813	120,000	64,776	—	<b>183,037</b>
National Review of Asthma Deaths (NRAD)	531,656	24,020	280,896	—	<b>274,780</b>
CORP transition and running costs	24,182	135,932	191,722	31,608	—
CORP Programme costs	593,808	2,706,818	2,879,963	(31,608)	<b>389,055</b>
Head Injuries Project	—	99,000	51,459	—	<b>47,541</b>
Dementia Care Audit Pilot Project	—	53,831	53,795	—	<b>36</b>
National Joint Registry	2,616,346	3,369,020	2,512,741	—	<b>3,472,625</b>
Congenital Anomalies Surveillance	29,733	550,000	579,995	262	—
Other Registers and Databases	57,885	120,000	66,118	(262)	<b>111,505</b>
Diagnosis of Lung Cancer Project	83,563	—	67,127	—	<b>16,436</b>
	<b>4,291,342</b>	<b>18,860,507</b>	<b>14,808,508</b>	<b>—</b>	<b>8,343,341</b>



**14 Restricted funds** (continued)

The specific purposes for which the funds are to be applied are as follows:

◆ **NCAPOP – National Clinical Audit and Patient Outcomes Programme**

Management of the National Clinical Audit and Patient Outcomes Programme (NCAPOP), servicing existing contracts and commissioning new audits according to priorities set by the National Advisory Group on Clinical Audit and Enquiries (NAGCAE).

Funds for multi-site and regional audit projects are shown separately.

◆ **NAGCAE – National Advisory Group on Clinical Audit and Enquiries**

Fees and expenses (including venue and committee administration costs) incurred by members of the National Advisory Group on Clinical Audit & Enquiries whose function is to make decisions about the strategic direction of clinical audit in England.

◆ **NJR - National Joint Registry**

To fund work to ensure that patients obtain the best clinical care during and following their joint replacement operation. To provide patients, clinicians, healthcare purchasers, commissioners, regulators and implant suppliers with evidence as to which are the best performing implants, ensuring that NHS and other healthcare resources are best used. NJR funds are held in a separate bank account.

◆ **NRAD – National Review of Asthma Deaths**

A three-year study bringing together medical professionals, patient organisations and families to collect details of deaths from asthma in hospitals and in the community across the UK, with the aim of improving care and reducing mortality.

◆ **CORP – Clinical Outcome Review Programmes**

Comprises confidential enquiries designed to stimulate improvements in safety and effectiveness by enabling clinicians, managers and policy makers to learn from adverse events and other relevant data. Coverage is UK-wide, and the programme includes four studies: deaths following medical and surgical intervention; suicides and homicide among people with mental illness; a child health review, and maternal, infant and perinatal mortality.

◆ **Congenital Anomalies Surveillance**

HQIP managed grants to three congenital anomalies surveillance registers and a national umbrella organisation on behalf of Department of Health.

◆ **Registers**

Funds disbursed to other condition specific registers and databases.

**14 Restricted funds** (continued)

◆ **Head injuries project**

Data on approximately 6,000 children who attended hospital with a head injury is being reviewed to determine how the early management of head injury in children affects health outcomes, identifying factors associated with adverse outcomes.

◆ **Dementia Care Audit Pilot Project**

This project will enable a better understanding of the benefits of using care audit methods in social care settings. It will allow providers to test the quality of their practice against recognised standards in the area of dementia care.

◆ **Diagnosis of Lung Cancer Project**

A project supporting improvements in the pathological diagnosis of lung cancer.

**15 Tangible fixed assets fund**

	At 1 April 2012 £	Additions £	Depreciation £	At 31 March 2013 £
Fixtures, fittings and equipment	12,411	8,524	(6,355)	<b>14,580</b>

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets.

**16 Designated funds**

The income fund of the charity includes the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	At 1 April 2012 £	New designations £	Utilised/ released £	Transfers £	At 31 March 2013 £
Reinvigoration of clinical audit	223,648	400,000	627,932	4,284	—
Events	29,796	80,000	96,536	(4,284)	<b>8,976</b>
Audit and social care	3,480	15,000	16,738	—	<b>1,742</b>
	<u>256,924</u>	<u>495,000</u>	<u>741,206</u>	<u>—</u>	<b><u>10,718</u></b>

The above funds have been set aside for reinvigoration of clinical audit, training and product development, and the promotion of audit through local and national events.

**17 Analysis of net assets between funds**

	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2013 £
<b>Fund balances at 31 March 2013 are represented by:</b>					
Tangible fixed assets	—	14,580	—	—	<b>14,580</b>
Current assets	1,348,434	—	44,808	13,535,108	<b>14,928,350</b>
Creditors: amounts falling due within one year	(672,540)	—	(34,090)	(5,191,767)	<b>(5,898,397)</b>
<b>Total net assets</b>	<b>675,894</b>	<b>14,580</b>	<b>10,718</b>	<b>8,343,341</b>	<b>9,044,533</b>

**18 Contractual commitments**

At 31 March 2013 the charity had no commitments in respect of contract payments approved for national clinical audits and which had not been accrued due to necessary milestones not being achieved by the providers at the period end.

**19 Leasing commitments**

Operating leases

At 31 March 2013 the charity had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2013 £	2012 £
Operating leases which expire:		
Within one year	<b>99,000</b>	12,750
Within two to five years	—	148,500
	<b>99,000</b>	<b>161,250</b>

**20 Pension commitments**

HQIP operates a money purchase pension scheme for most employees however four staff were eligible for Direction status and HQIP therefore contributed to the NHS pension scheme for these employees (one of whom left during the course of 2011-12).

The NHS Pension Scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. As a consequence it is not possible for HQIP to identify its share of the underlying scheme liabilities. The scheme is accounted for as a defined contribution scheme and the cost of the scheme is equal to the contributions payable to the scheme for the accounting period.



**20 Pension commitments** (continued)

Employers contributing under Direction status have their pension cost contributions charged to operating expenses as and when they become due. Employer contribution rates are reviewed every four years (previously five years) following an actuarial investigation carried out by the scheme actuary. On advice from the actuary the contribution rate may be varied from time to time to reflect changes in the scheme's liabilities. At the last actuarial investigation on which contribution rates were based (31 March 2004) employer contribution rates were set at 14% of pensionable pay.

A copy of the actuarial investigation and latest resource accounts can be viewed on the NHS Business Services Authority website <http://www.nhsbsa.nhs.uk/Pensions/Valuation.aspx>

Total pension costs in the period were £80,595 (2012: £71,836) and £9,993 (2012: £9,517) were payable at 31 March 2013.

**21 Related party transactions**

HQIP has provided funding to the Royal College of Physicians (the RCP) relating to national clinical audit projects amounting to £2,123,954 (2012: £1,844,492) with £754,939 (2012: £443,091) payable at the period end. Dr Kevin Stewart, who is a trustee/director of HQIP, is also Clinical Director of the RCP's Clinical Effectiveness and Evaluation Unit. Jane Ingham, who is the Interim Chief Executive of HQIP, is also the director of the Clinical Standards Department at the RCP. Dr Stewart and Ms Ingham took no part in the decision-making process through which contracts were awarded.

**22 Liability of members**

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up members are required to contribute an amount not exceeding £10.