



# HQIP

Healthcare Quality  
Improvement Partnership

## Report and Accounts

31 March 2014

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	19

### Accounts

Statement of financial activities	21
Balance sheet	22
Cash flow statement	23
Principal accounting policies	24
Notes to the accounts	27

## Legal and administrative information

<b>Trustees</b>	Mr David Cooper Ms Janet Davies (Chair) Mr Richard Driscoll Mr Philip Grimshaw Baker Mr Alastair Henderson (Vice-Chair) Mr Robert Johnstone Dr Sheila Marriott Dr Imran Rafi Dr Kevin Stewart
<b>Chief Executive</b>	Ms Jane Ingham
<b>Registered office</b>	70 Wimpole Street London W1G 8AX
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<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 2014

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 2014.

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 24 to 26 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 2014 except where shown:

<b>Trustee</b>	<b>Appointed / Resigned</b>
Mr David Cooper	Appointed September 2013
Ms Janet Davies (Chair)	
Mr Richard Driscoll	
Mr Tim Golbourn	Resigned September 2013
Mr Philip Grimshaw Baker	Appointed September 2013
Mr Alastair Henderson (Vice-Chair)	
Mr Robert Johnstone	Appointed September 2013
Dr Sheila Marriott	Appointed September 2013
Dr Imran Rafi	
Dr Kevin Stewart	

***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, tailored training to enable them to progress both within and outside the organisation.

***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.

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

***Statement of trustees' responsibilities (continued)***

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 proper 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.

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 and now NHS England in relation to the first of these aims to:

- ◆ promote engagement in clinical audit by healthcare professionals of all disciplines and specialties;

**Objectives and activities (continued)**

- ◆ 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 started work on promoting a version of clinical audit in social care settings.

**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 2013-14 are summarised below.

◆ ***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 commissioned and managed by HQIP;
- ◇ Supporting best practice in national audit teams not commissioned and managed 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.

**HQIP's vision (continued)**

- ◆ ***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.
  
- ◆ ***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.



**Public Benefit (continued)**

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.

**STRATEGIC REPORT**

**Achievement and performance**

HQIP fully delivered on its contracted work on clinical audit in line with the targets and KPIs.

***Key activities***

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

Development of an audit assessment framework to support improving the quality of national audit with CHIR our academic partners.

- ◆ Completed the work with ISL to identify the barriers for local implementation of national audit and started to address those within HQIPs influence.
- ◆ Facilitated 13 specialist society groups to work towards publishing consultant level outcome data.
- ◆ Established a series of workshops to support cross learning and development between those delivering audits and confidential enquiries.
- ◆ Actively promote the use of NCAPOP data for healthcare quality improvement

*National Clinical Audit (NCA) and Clinical Outcome Review Programme (CORP)*

The National Clinical Audit and Patient Outcome Programme managed a total of 27 National Clinical Audits and six Clinical Outcome Review Programmes during 2013/14. Programmes were performance managed against deliverables and budget with risks and issues identified and managed in partnership with service providers. During this period:

- ◆ 4 NCAs and 2 CORPs underwent formal review and were extended for a further 2 years.
- ◆ 1 existing NCA, 2 new NCAs and 1 CORP launched tenders during this period.

## **STRATEGIC REPORT (continued)**

### **Achievement and performance (continued)**

#### *Key activities (continued)*

##### *National Clinical Audit (NCA) and Clinical Outcome Review Programme (CORP) (continued)*

- ◆ 2 NCA contract awards were made.
  
- ◆ 2 NCA and 2 CORP programmes closed.

The programme commenced an organisational restructure to move to a programme managed environment to ensure the provision of individual project manager support to each work programme throughout commissioning, procurement and contract performance management. This has led to a change in the staffing model which will be fully implemented in 2014/15 and identifying the need for a programme management dashboard that will be developed in 2014/15. Jenny Mooney was appointed as Director of Operations and will lead these changes.

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

- ◆ We delivered six regional one day workshops to 168 audit professionals and clinicians on 'planning for action'. 24% of the audience were clinicians and the remaining 76% were audit, improvement or assurance senior facilitators and managers. Delegates were provided with slides and a workbook to enable them to cascade and / or implement the learning within their organisations. Impact analysis showed that 77% of attendees had implemented the learning and/or cascaded the training within the first three months of receiving the training.
  
- ◆ Ten regional three hour workshops were delivered in partnership with CASC to 109 general practitioners on significant event audit and revalidation. The workshops were well evaluated but attendance was not as high as we had hoped despite advertising in PULSE and through the Family Doctor Association; direct contact with quality leads in all CCGs and through the HQIP eBulletin and CASC newsletter.
  
- ◆ A detailed review of all published resources was carried out. The review process was designed to include valuable and detailed opinions from all of our key audiences and partner organisations. The information from this project has enabled the QID team to ensure that future products and the updating of existing ones is carried out in accordance with the need of our stakeholders. This review has provided a good basis for our 2014/15 work programme and the QID strategy for 2014/16 and beyond.

**STRATEGIC REPORT** (continued)

**Achievement and performance** (continued)

*Key activities (continued)*

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

- ◆ The Department of Health (DH) commissioned HQIP to lead on the development of an online care audit tool to be used to improve the care of people with dementia in care home settings. The aim was to test whether the benefits of a national audit approach, could be realised in social care if suitably adapted for the sector. The Impact Evaluation Report, was presented on 29 April 2014, to the Care Audit Advisory Group (CAAG). In summary the Care Home sector would participate in a national care audit, using a nationally agreed audit tool but there were a number of lessons to be learned, if such an approach was to move forward. For example:
  - ◆ It would have to be a 'full audit cycle', with work on quality improvement;
    - ◇ The content of a data collection tool would need to be broadened in scope and not just focused on care planning, with clear and relevant answer options;
    - ◇ Technical difficulties with the online submission process would require further functional enhancement so that the system worked for all;
    - ◇ The timeline for care homes collecting and submitting the data has to be longer;
    - ◇ There needs to be better communication to ensure care homes do not miss out on participation;
    - ◇ Usage, access to data, and information governance needs to be clear to all;
    - ◇ The results of a national care audit in the care home sector should support relationships with the CQC, local councils and other stakeholders.
- ◆ We continue to work closely with and support key stakeholders. For example, support for clinical audit networks increased through the financial support provided to the newly formed National Quality Improvement and Clinical Audit Network (NQICAN). This group has taken over from the National Audit Governance Group and consists of all regional network chairs. HQIP now sponsors the Chair to work two days a month on NQICAN business.
- ◆ The Service User Network continues to grow and thrive and has supported the Director of Operations for NCAPOP by providing patient and service user input in the development of national audits and clinical outcome reviews.

**STRATEGIC REPORT** (continued)

**Achievement and performance** (continued)

*Key activities* (continued)

*The National Joint Registry (NJR)*

- ◆ Review and development of the NJR's strategic plan 2013-2016 as well as a supporting annual work plan and annual communications strategy and plan.
- ◆ Implementation of structure, governance and operational improvements including appointment to the NJR's first Medical Director post, consultation on the appropriate format and remit of a new Medical Advisory Committee and Executive Committee and appointment of a new NJR Steering Committee members to vacant posts.
- ◆ Planning and development of a new economic model to reduce the cost burden of the NJR to the NHS through a new, lower levy of £15.60 gross (from £20 gross). This includes establishment of a fair and proportionate contribution from orthopaedic device manufacturers through chargeable, enhanced services available at NJR Supplier Feedback.
- ◆ Development of a price benchmarking service for the NHS, to complement the new economic arrangement. This follows a successful pilot to look at how healthcare providers can benchmark their purchasing costs for orthopaedic implants. More than 30 organisations were involved in the project which received the accolade of a Benchmarking Institute Best Practice Award.
- ◆ Publication of individual consultant-level activity and outcomes as one of the first ten national audits to do so under NHS England's transparency initiative.
- ◆ Implementation of the first two of four phases of improvement to the NJR's Clinician Feedback service to enhance the calibre of revision rate reporting to individual surgeons.
- ◆ Establishment of patient blogs to champion the importance of patient experience in assessing quality in joint replacement surgery and to share evidence-based information to aid decision-making. Plus, continued activity to collect and use Patient Reported Outcomes Measures data for hip, knee and shoulder surgery in particular.
- ◆ Continued support and provision of data, as appropriate, to support national and international projects such as Beyond Compliance ([www.beyondcompliance.org.uk](http://www.beyondcompliance.org.uk)), Getting It Right First Time ([www.gettingitrightfirsttime.com](http://www.gettingitrightfirsttime.com)) and Unique Device Identifiers.
- ◆ Continued achievement of high levels of overall data compliance, patient consent and linkability (number of linkable records).

**STRATEGIC REPORT (continued)**

**Achievement and performance (continued)**

***Plans for 2014/15***

Our Operational Plan for 2014-15 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:

***National Clinical Audit (NCA) and Clinical Outcome Review Programme (CORP)***

During 2014/15 the NCAPOP Programme will manage a total of 30 National Clinical Audits and four Clinical Outcome Review Programmes. In addition a number of new National Clinical Audits and work programmes to sit under the Clinical Outcome Review Programmes have been proposed and will be scoped and commissioned during this period. Ten National Clinical Audits and one Clinical Outcome Review Programme will be formally reviewed for contract extension consideration during this period. Three existing NCAs and two CORPs will launch retenders.

- ◆ We will continue to embed a programme managed system, supported by the new staff structure and dash board to support the delivery of the NCAPOP programme.
- ◆ We will deliver a series of seminars for NCAPOP service providers covering a wide range of topic areas aiming to provide support and information on issues that are relevant across all programmes, share best practice and facilitate networking.
- ◆ We will pilot and evaluate the National Clinical Audit Quality Framework. Once developed, the NCA Quality Framework, supported by a range of tools and processes, will facilitate self-assessment and drive improvement in the quality of national audit.
- ◆ We will continue to ensure participation by service users and service user representative groups in the specification development of all programmes and their membership on the steering groups of all service providers to support their input throughout the delivery of the programmes.
- ◆ We will continue to support the development of innovative and improved methods of dissemination of audit and report key messages relevant to key audiences including service users, service providers, regulators, commissioners and clinicians.
- ◆ We will establish an Information Governance Advisory group to support us in our role as data controller of the NCAPOP programme to ensure that all legal and ethical requirements for data sharing are met. Specifics include work in the following areas:

***Supporting Quality Improvement in Patient Care***

- ◆ Several documents have been prioritised through the resource review process of 2013. Some of these are updated versions of previously published resources and some have been newly identified as key areas:

**STRATEGIC REPORT** (continued)

**Achievement and performance** (continued)

*Plans for 2014/15* (continued)

*Supporting Quality Improvement in Patient Care* (continued)

- ◊ A guide for commissioners on utilising clinical audit data;
  - ◊ A guide on QI methodologies other than clinical audit;
  - ◊ Information governance in QI projects with accompanying patient information leaflet;
  - ◊ Good Governance Guide (update);
  - ◊ Clinical Audit: A simple guide for NHS boards and partners (update);
  - ◊ Involving junior doctors in clinical audit (update);
  - ◊ Guide for clinical audit leads (update).
- ◆ Four sets of regional training events are planned for 14/15. These are:
    - ◊ Train the Trainer in clinical audit methodology;
    - ◊ Root Cause Analysis for use in local improvement work;
    - ◊ Using national and local audit data in commissioning;
    - ◊ Good governance and clinical audit for boards.
  - ◆ A feasibility study will be carried out investigating how best to develop and implement education and training standards for quality improvement processes. This will include training for clinicians pre and post graduation and level of training needs for other roles within healthcare commissioning and provision, e.g. porters, service managers, non-executive directors.
  - ◆ New and better ways of engaging with local and regional organisations will be explored. The main aim of this will be to influence local organisations to better utilise national audit and CORP data.
  - ◆ Service User engagement will be further promoted through both the NCAPOP and QID programmes.

**STRATEGIC REPORT** (continued)

**Achievement and performance** (continued)

*Plans for future periods* (continued)

*The National Joint Registry (NJR)*

- ◆ Implementation of the new economic model arrangements and price benchmarking service to healthcare providers across England, Wales and Northern Ireland.
- ◆ Strengthening of the structure and governance arrangements including greater professional and patient engagement in the registry's sub-committee structure through formal and co-opted membership arrangements.
- ◆ Development of a research strategy to identify priority areas for the NJR within a national and international context.
- ◆ Development of a data quality strategy and implementation of actions specific to primary and secondary validation to target areas of poorer data accuracy and completeness.
- ◆ Implementation of planned enhancements to the NJR's advanced feedback services for clinicians, suppliers and hospital management including a consultant-level report specifically to support appraisal and revalidation.
- ◆ A developed and improved delivery of consultant-level activity and outcomes into the public domain at [www.njrsurgeonhospitalprofile.org.uk](http://www.njrsurgeonhospitalprofile.org.uk) . This will include the development and publication of unit level quality dashboards.
- ◆ Development of a digital annual reporting strategy with the launch of a dedicated annual report website [www.njrreports.org.uk](http://www.njrreports.org.uk) to improve dissemination of the NJR's annual findings including clinical activity data through new, interactive features.
- ◆ Review and further investigation of appropriate ways to provide patients with online access to their NJR record as well as development of key patient resources such as the Public and Patient Guide to the NJR's Annual Report.
- ◆ Development of the NJR component data base and alignment with the international initiative to create unique device identifiers (UDIs).

## STRATEGIC REPORT (continued)

### Finance report for the year

#### *Results for the year*

##### *Income*

During the year ended 31 March 2014, HQIP received income totalling £19,445,280 (2013: £20,340,484) of which £17,407,428 (2013: £18,860,507) was for restricted purposes, and £2,037,852 (2013: £1,479,977) was for the general purposes of the charity including management fees of £1,963,325 (2013: £1,444,083). Income included £8,682,732 (2013: £8,929,877) to fund the National Clinical Audit and Patient Outcomes Programme (NCAPOP) plus subscriptions of £2,301,897 (2013: £2,615,302), £20,000 (2013: £34,183) to extend two audit projects to Scotland and £427,529 (2013: £53,831) for the Dementia Care Audit Pilot Project.

HQIP took over management of the Clinical Outcome Review Programmes in September 2011. In 2014, income for programmes (the confidential enquiries), of £2,474,842 (2013: £2,545,038) was collected from all UK Administrations.

Contributions of £nil toward costs of the National Review of Asthma Deaths were received from the Devolved Administrations (2013: £24,020). In the prior year, funding of £99,000 was received from the Department of Health to commission a review of data relating to children presenting at hospital with head injuries. £120,000 was received to fund multi-site audit projects, and £120,000 to support the development of registers and databases. There was no additional income for this work in 2013-14. In the prior year, £37,482 was received to fund work on audit methodologies. Methodological support was commissioned from contract management fees for the NCAPOP in the current year.

Income of £550,000 was received in the prior year for Congenital Anomalies Surveillance in England, this has not been continued in the current year.

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 2013-14 HQIP collected levies totalling £3,378,841 (2013: £3,292,579). Other income was £41,826 (2013: £58,840). NJR income is held in a separate bank account to be used solely to fund the work of the Registry.

##### *Expenditure*

During the year to 31 March 2014, HQIP financed 29 (2013: 30) national clinical audit contracts at a total cost of £10,185,591 (2013: £7,863,288); 4 (2013: 7) multi-site or regional audit projects at a total cost of £31,712 (2013: £64,776) and funded 4 (2013: 7) condition specific databases and registers at a total cost of £54,159 (2013: £66,118). All programmes are listed on pages 17 and 18.



**STRATEGIC REPORT (continued)**

**Finance report for the year (continued)**

*Results for the year (continued)*

*Expenditure (continued)*

HQIP has continued to manage the Clinical Outcome Review Programmes. Total expenditure for the period was £2,631,877 (2013: £3,123,444) including transition and running costs of £nil (2013: £35,814); governance costs of £11,730 (2013: £6,436). Expenditure on programmes was £2,620,147 (2013: £2,879,963).

Expenditure on the National Review of Asthma Deaths was £203,805 (2013: £280,896).

HQIP spent £3,029,494 (2013: £2,509,721) on the management and development of the National Joint Registry.

Expenditure on a project to improve the pathological diagnosis of lung cancer was £15,000 (2013: £67,127).

The charity spent £680,525 (2013: £724,468) on the reinvigoration of clinical audit including £83,231 (2013: £60,427) on related events. Work continued to pilot the use of clinical audit methodologies for use in social care settings, expenditure on this was £453,219 (2013: £70,533).

Expenditure on the Surgeon Outcomes Publication was £325,342 (2013: £1,328).

Other direct charitable expenditure, including support costs, totalled £879,585 (2013: £1,104,306) and governance costs were £21,163 (2013: £26,455).

*Financial position*

The balance sheet at 31 March 2014 shows total funds of £9,647,905 (2013: £9,044,533). Restricted funds totalling £8,725,265 (2013: £8,343,341) and unrestricted funds comprising general funds of £887,801 (2013: £675,894); tangible fixed asset funds of £8,997 (2013: £14,580) and designated funds of £25,842 (2013: £10,718).

At 31 March 2014, the charity retained free reserves of £887,801 (2013: £675,894).

*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 (£431,271 to £862,542). The actual free reserves of £887,801 are marginally above this range.

**STRATEGIC REPORT** (continued)

***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.

Strategic report approved by and signed on behalf of the trustees:



Trustee

Approved on: 16/10/14

**National Audits funded in 2013-14**

Bowel Cancer  
Cardiac Ambulance Services  
Cardiac Intervention  
Cardiac Surgery  
Childhood Epilepsy  
Chronic Kidney Disease  
Chronic Obstructive Pulmonary Disease  
Congenital Heart Disease  
Dementia Care (in-patient)  
Diabetes in Adults  
Emergency Laparotomy  
Falls and Fragility Fracture  
Head and Neck Cancer  
Healthcare for individuals with Learning Disabilities  
Heart Failure  
Heavy Menstrual Bleeding  
Inflammatory Bowel Disease  
Lung Cancer  
Myocardial Ischaemia  
National Vascular Registry  
Neonatal Care  
Oesophageal Gastric Cancer  
Paediatric Diabetes  
Paediatric Intensive Care  
Pain Database  
Prostate Cancer  
Psychological Therapies  
Rheumatoid and Early Inflammatory Arthritis  
Schizophrenia  
Sentinel Stroke

**Clinical Outcome Review Programmes 2013-14**

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

**Trustees' report Year to 31 March 2014**

**Multi-Site Audits 2013-14**

Chronic Urticaria

Preparation for Pregnancy in Women with Diabetes

Prescribing of Breakthrough Opioid Analgesia in Acute Hospitals

UK Renal Registry

**Registers 2013-14**

Henoch Registry

Idiopathic Intracranial Hypertension Database

North of England Collaborative Cerebral Palsy Study

UK Primary Immunodeficiency Network

**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 2014 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Independent auditor's report 31 March 2014

### 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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ◆ 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.

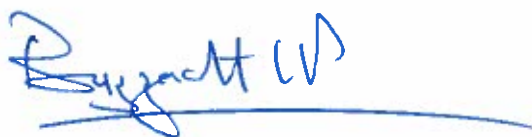
### Opinion on other matter prescribed by the Companies Act 2006

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

28 October 2014

Statement of financial activities Year to 31 March 2014

	Notes	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
<b>Income and expenditure</b>					
<b>Incoming resources</b>					
Incoming resources from generated funds					
. Voluntary income	1	—	62,160	62,160	161,780
. Interest receivable	2	22,013	17,601	39,614	59,036
Incoming resources from charitable activities					
. Management, development and promotion of clinical audit	3	1,985,997	17,327,667	19,313,664	20,108,377
Other income					
. Miscellaneous income		29,842	—	29,842	11,291
<b>Total incoming resources</b>		<b>2,037,852</b>	<b>17,407,428</b>	<b>19,445,280</b>	<b>20,340,484</b>
<b>Resources expended</b>					
Charitable activities					
. Management, development and promotion of clinical audit	4	1,735,933	17,084,812	18,820,745	16,454,672
Governance costs	6	18,083	3,080	21,163	26,455
<b>Total resources expended</b>		<b>1,754,016</b>	<b>17,087,892</b>	<b>18,841,908</b>	<b>16,481,127</b>
<b>Net incoming resources before transfers</b>	7	<b>283,836</b>	<b>319,536</b>	<b>603,372</b>	<b>3,859,357</b>
<b>Transfers between funds</b>		<b>(62,388)</b>	<b>62,388</b>	<b>—</b>	<b>—</b>
<b>Net movement in funds</b>		<b>221,448</b>	<b>381,924</b>	<b>603,372</b>	<b>3,859,357</b>
Balances brought forward at 1 April 2013		701,192	8,343,341	9,044,533	5,185,176
<b>Balances carried forward at 31 March 2014</b>		<b>922,640</b>	<b>8,725,265</b>	<b>9,647,905</b>	<b>9,044,533</b>

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 2014

	Notes	2014 £	2014 £	2013 £	2013 £
<b>Fixed assets</b>					
Tangible fixed assets	11		8,997		14,580
<b>Current assets</b>					
Debtors	12	5,842,971		6,630,133	
Cash at bank and in hand		9,764,613		8,298,217	
		<u>15,607,584</u>		<u>14,928,350</u>	
Creditors: amounts falling due within one year	13	5,968,676		5,898,397	
Net current assets			9,638,908		9,029,953
<b>Total net assets</b>			<u>9,647,905</u>		<u>9,044,533</u>
<b>Represented by:</b>					
<b>Funds and reserves</b>					
<i>Income funds:</i>					
Restricted funds	14		8,725,265		8,343,341
Unrestricted funds					
. General fund		887,801		675,894	
. Tangible fixed assets fund	15	8,997		14,580	
. Designated funds	16	25,842		10,718	
			<u>922,640</u>		<u>701,192</u>
			<u>9,647,905</u>		<u>9,044,533</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: 16/10/14



## Cash flow statement Year to 31 March 2014

	Notes	2014 £	2013 £
Cash inflow (outflow) from operating activities	A	1,428,816	(22,684)
Returns on investments and servicing of finance	B	39,614	59,036
Capital expenditure and financing investments	C	(2,034)	(8,524)
<b>Increase in cash</b>		<b>1,466,396</b>	<b>27,828</b>

Notes to the cash flow statement for the year to 31 March 2014

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

	2014 £	2013 £
Net incoming resources	603,372	3,859,357
Depreciation charge	7,617	6,355
Interest receivable	(39,614)	(59,036)
Decrease (increase) in debtors	787,162	(3,911,985)
(Decrease) increase in creditors	70,279	82,625
<b>Net cash inflow (outflow) from operating activities</b>	<b>1,428,816</b>	<b>(22,684)</b>

### B Gross cash flows

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	39,614	59,036

### C Capital expenditure and financial investment

	2014 £	2013 £
Payments to acquire tangible fixed assets	(2,034)	(8,524)

### Analysis of changes in net funds

	At 1 April 2013 £	Cash flows £	At 31 March 2014 £
Cash at bank and in hand	8,298,217	1,466,396	9,764,613

**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. Incoming resources are only recognised for amounts that are certain at the date of preparation of the accounts. Any further amounts received after this date are recognised in subsequent periods.

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 2014

**1 Voluntary income**

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Government Grants	—	62,160	62,160	161,780

**2 Interest receivable**

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Bank interest receivable	22,013	17,601	39,614	59,036

**3 Incoming resources from charitable activities**

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
<b>Income from Contracts</b>				
<b>Department of Health England</b>				
. Management support fee	1,963,325	—	1,963,325	1,444,083
. NCAPOP National Audits	—	8,682,732	8,682,732	8,929,877
. NCAPOP Subscriptions	—	2,301,897	2,301,897	2,615,302
. NCAPOP administration fees	22,672	—	22,672	28,210
. Audit Methodology	—	—	—	37,482
. NCAPOP Support Costs	—	—	—	20,000
. CORP Running Costs	—	—	—	135,932
. Congenital Anomalies Surveillance	—	—	—	550,000
. Head Injuries project	—	—	—	99,000
. Dementia Care Audit Pilot Project	—	427,529	427,529	53,831
. Multi-Site Audit Funding	—	—	—	120,000
. Registry Development	—	—	—	120,000
	<u>1,985,997</u>	<u>11,412,158</u>	<u>13,398,155</u>	<u>14,153,717</u>
<b>All UK Administrations</b>				
. National Review of Asthma Deaths	—	—	—	24,020
. CORP Programme income	—	2,474,842	2,474,842	2,545,038
. NCAPOP (Scottish Contribution)	—	20,000	20,000	34,183
<b>Other</b>				
. NJR Levy income	—	3,378,841	3,378,841	3,292,579
. NJR other income	—	41,826	41,826	58,840
	<u>—</u>	<u>5,915,509</u>	<u>5,915,509</u>	<u>5,954,660</u>
	<u>1,985,997</u>	<u>17,327,667</u>	<u>19,313,664</u>	<u>20,108,377</u>

Notes to the accounts 31 March 2014

4 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
<b>Management, development and promotion of clinical audit</b>				
<b>National Clinical Audit and Patient Outcomes Programme (NCAPOP)</b>				
. NCAPOP national audits	—	10,185,591	10,185,591	7,863,288
. Grant to BOA	—	100,000	100,000	—
. NCAPOP retendering	—	44,455	44,455	24,453
. Methodological Support	155,000	—	155,000	25,000
. Transition costs	—	28,347	28,347	21,308
. Regional and multi-site audits	—	31,712	31,712	64,776
. Bad debts	—	(45,000)	(45,000)	72,196
<b>Clinical Outcomes Review Programmes (CORP) – Confidential Enquiries</b>				
. Programme costs	—	2,620,147	2,620,147	2,879,963
. Transition and running costs	—	—	—	35,814
. National Review of Asthma Deaths	—	203,805	203,805	280,896
. Head Injuries project	—	38,541	38,541	51,459
. Governance	11,730	—	11,730	6,436
Staff costs	545,385	—	545,385	684,389
Support costs	314,160	—	314,160	397,185
NAGCAE meeting costs & members expenses	20,040	—	20,040	28,219
	<u>1,046,315</u>	<u>13,207,598</u>	<u>14,253,913</u>	<u>12,435,382</u>
<b>National Joint Registry (NJR)</b>				
. NJR programme costs	—	2,640,306	2,640,306	2,138,089
. Staff costs	—	232,953	232,953	227,200
. Support costs	—	156,235	156,235	144,432
	<u>—</u>	<u>3,029,494</u>	<u>3,029,494</u>	<u>2,509,721</u>
<b>Surgeon Outcomes Publication</b>				
. Surgeon Outcomes Publication	—	191,083	191,083	1,328
. Staff costs	—	134,259	134,259	—
	<u>—</u>	<u>325,342</u>	<u>325,342</u>	<u>1,328</u>
<b>Congenital Anomalies Surveillance</b>	<u>—</u>	<u>—</u>	<u>—</u>	<u>579,995</u>
<b>Other Registers and Databases</b>	<u>—</u>	<u>54,159</u>	<u>54,159</u>	<u>66,118</u>
<b>Diagnosis of Lung Cancer Project</b>	<u>—</u>	<u>15,000</u>	<u>15,000</u>	<u>67,127</u>
<b>Reinvigoration of Clinical Audit</b>				
. Reinvigoration of Clinical Audit	38,787	—	38,787	130,497
. Education and training	27,798	—	27,798	73,727
. Events	83,231	—	83,231	60,427
. Staff costs	344,153	—	344,153	279,276
. Support costs	186,556	—	186,556	180,541
	<u>680,525</u>	<u>—</u>	<u>680,525</u>	<u>724,468</u>
<b>Carried forward</b>	<u>1,726,840</u>	<u>16,631,593</u>	<u>18,358,433</u>	<u>16,384,139</u>

Notes to the accounts 31 March 2014

**4 Charitable activities (continued)**

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Brought forward	1,726,840	16,631,593	18,358,433	16,384,139
<b>Audit and Social Care</b>				
· Development work	—	—	—	6,573
· Dementia Care Audit Pilot Project	—	378,486	378,486	39,280
· Staff costs	—	74,733	74,733	24,680
	—	453,219	453,219	70,533
Development of Clinical Service Accreditation	9,093	—	9,093	—
	1,735,933	17,084,812	18,820,745	16,454,672

**5 Support costs**

	Total 2014 £	Total 2013 £
Staff costs	231,600	319,356
Staff training	7,447	12,885
Staff recruitment	12,687	12,684
Advertising and publicity	31,506	22,306
Financing and bank charges	1,198	1,295
Communications resources	2,175	3,520
Premises costs (rent and facilities charges)	202,589	184,671
Computer equipment and software	8,332	10,481
IT support	24,141	22,424
Printing and stationery	27,391	20,896
Postage	1,114	2,879
Telephone	9,586	8,903
Other accommodation costs and room hire	5,840	1,450
Travel, subsistence and accommodation	6,937	4,504
Catering	7,568	7,907
Subscriptions	2,212	6,832
Communications	2,233	20,779
Other meeting and premises costs	4,172	8,754
Insurance	16,905	12,398
Professional Fees – HR consultancy	41,450	26,624
Miscellaneous expenses	2,250	4,255
Depreciation	7,618	6,355
	656,951	722,158

Notes to the accounts 31 March 2014

**5 Support costs (continued)**

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

	Total 2014 £	Total 2013 £
Management, development and promotion of clinical audit	314,160	397,185
National Joint Registry	156,235	144,432
Congenital Anomalies Surveillance	—	—
Diagnosis of Lung Cancer Project	—	—
Reinvigoration of Clinical Audit	186,556	180,541
	<b>656,951</b>	<b>722,158</b>

**6 Governance costs**

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Audit fees	12,320	3,080	15,400	15,100
Legal and professional fees	5,191	—	5,191	11,143
Trustee expenses	572	—	572	212
	<b>18,083</b>	<b>3,080</b>	<b>21,163</b>	<b>26,455</b>

**7 Net movement in funds**

This is stated after charging:

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Staff costs (note 8)	1,049,973	513,110	1,563,083	1,534,901
Auditors' remuneration				
· Statutory audit services	12,380	3,020	15,400	15,100
· Other services	1,375	—	1,375	19,129
Depreciation	7,617	—	7,617	6,355
Operating lease rentals	174,000	—	174,000	161,245



**8 Employees and staff costs**

Staff costs during the period were as follows:

	2014 £	2013 £
Wages and salaries	1,029,881	1,216,841
Social security costs	114,676	128,649
Pension costs (Scottish Equitable)	50,074	54,573
Pension costs (NHS)	22,915	26,023
	<b>1,217,546</b>	<b>1,426,086</b>
Pensions admin fees and income protection insurance	1,550	1,700
Cost of secondments	262,475	25,929
Cost of agency staff	81,512	27,545
Consultancy fees	—	53,641
	<b>1,563,083</b>	<b>1,534,901</b>

Staff costs have been allocated as follows:

	2014 £	2013 £
Management, development and promotion of clinical audit	545,385	684,389
National Joint Registry	232,953	227,200
Reinvigoration of Clinical Audit	344,153	279,276
Audit & Social Care	74,733	24,680
Surgeon Outcomes Publication	134,259	—
Support costs	231,600	319,356
	<b>1,563,083</b>	<b>1,534,901</b>

The average number of employees during the period and the actual numbers at 31 March 2014, calculated on a full time equivalent basis, analysed by function, was as follows:

	2014 Average Number	Actual number at 31 March 2014	2013 Average Number	Actual number at 31 March 2013
Charitable activities				
· Contract Management and Commissioning	6.6	10	8.5	10
· NJR & National Development Team	4.2	6	5.1	6
· Reinvigoration of Audit & Events	5.0	5	5.0	5
· Support	3.7	4	2.5	4
· Management and administration	2.3	5	3.7	4
	<b>21.8</b>	<b>30</b>	<b>24.8</b>	<b>29</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:

	2014 £	2013 £
£60,000 - 70,000	2	2
£70,001 - 80,000	2	2
£80,001 - 90,000	—	1
£90,001 - 100,000	—	—
	4	5

HQIP made contributions to defined contribution pension schemes totalling £17,700 (2013: £32,087) in respect of these employees.

**9 Trustees' remuneration**

None of the trustees received any remuneration in respect of their services during the period (2013: £nil). During the year out of pocket travelling expenses amounting to £572 were reimbursed to one trustee (2013: £212).

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 (2013: £7,420) 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 2013	52,393
Additions	2,034
At 31 March 2014	54,427
<b>Depreciation</b>	
At 1 April 2013	37,813
Charge for year	7,617
At 31 March 2014	45,430
<b>Net book values</b>	
At 31 March 2014	8,997
At 31 March 2013	14,580

**12 Debtors**

	2014 £	2013 £
Trade debtors	3,575,692	4,860,601
Prepayments and other debtors	489,235	637,811
Accrued income	1,778,044	1,131,721
	<u>5,842,971</u>	<u>6,630,133</u>

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

	2014 £	2013 £
Trade creditors	4,514,056	2,595,497
Other creditors	45,360	47,832
VAT payable	257,210	560,653
Accruals	1,152,050	1,609,415
Deferred income	—	1,085,000
	<u>5,968,676</u>	<u>5,898,397</u>

**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 2013 £	Incoming resources £	Expenditure £	Transfers £	At 31 March 2014 £
NCAPOP	3,719,442	10,679,629	(10,140,591)	(104,439)	4,154,041
Audit methodology	12,482	—	—	(12,482)	—
Grant to BOA	—	—	(100,000)	100,000	—
Outcomes Publication (Surgeon Level Data)	6,175	305,000	(325,342)	14,167	—
NCAPOP Scottish extensions	34,183	20,000	—	(54,183)	—
NCAPOP transition costs	75,914	—	(28,347)	—	47,567
NCAPOP Retendering	—	—	(44,455)	44,455	—
NAGCAE	130	—	—	(130)	—
Multi-site/Regional audits	183,037	—	(31,712)	—	151,325
National Review of Asthma Deaths (NRAD)	274,780	—	(203,805)	—	70,975
CORP Programme costs	389,055	2,537,003	(2,620,147)	—	305,911
Head Injuries Project	47,541	—	(38,541)	—	9,000
Dementia Care Audit Pilot Project	36	427,529	(453,219)	75,000	49,346
National Joint Registry	3,472,625	3,438,267	(3,032,574)	—	3,878,318
Other Registers and Databases	111,505	—	(54,159)	—	57,346
Diagnosis of Lung Cancer Project	16,436	—	(15,000)	—	1,436
	<u>8,343,341</u>	<u>17,407,428</u>	<u>(17,087,892)</u>	<u>62,388</u>	<u>8,725,265</u>

**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.
- ◆ **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.
- ◆ **Registers**  
Funds disbursed to other condition specific registers and databases.
- ◆ **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.

**14 Restricted funds (continued)**

♦ **Diagnosis of Lung Cancer Project**

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

**15 Tangible fixed assets fund**

	At 1 April 2013 £	Additions £	Depreciation £	At 31 March 2014 £
Fixtures, fittings and equipment	14,580	2,034	7,617	8,997

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 2013 £	New designations £	Utilised/ released £	Transfers £	At 31 March 2014 £
CORP Governance	—	20,000	(11,730)	—	8,270
NAGCAE	—	30,000	(20,040)	130	10,090
Audit Methodology	—	150,000	(155,000)	12,482	7,482
Events	8,976	—	(8,976)	—	—
Audit and social care	1,742	—	(1,742)	—	—
	10,718	200,000	(197,488)	12,612	25,842

The above funds have been set aside for CORP (Clinical Outcome Review Programme) governance, NAGCAE (National Advisory Group on Clinical Audit and Enquiries) and the review of audit methodology.

**17 Analysis of net assets between funds**

	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2014 £
<b>Fund balances at 31 March 2014 are represented by:</b>					
Tangible fixed assets	—	8,997	—	—	8,997
Current assets	6,071,374	—	117,794	9,418,416	15,607,584
Creditors: amounts falling due within one year	(5,183,573)	—	(91,952)	(693,151)	(5,968,676)
<b>Total net assets</b>	887,801	8,997	25,842	8,725,265	9,647,905

**18 Contractual commitments**

At 31 March 2014 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 year end.

**19 Leasing commitments**

*Operating leases*

At 31 March 2014 the charity had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014 £	2013 £
Operating leases which expire:		
Within one year	—	99,000
Within two to five years	162,000	—
	<b>162,000</b>	<b>99,000</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.

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 £72,989 (2013: £80,595) and £10,722 (2013: £9,993) were payable at 31 March 2014.

**21 Related party transactions**

HQIP has provided funding to the Royal College of Physicians (the RCP) relating to national clinical audit projects, NRAD (National Review of Asthma Deaths) and the costs of secondments, amounting to £2,718,310 (2013: £2,123,954) with £868,444 (2013: £754,939) 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, Chief Executive of HQIP, was also the director of the Clinical Standards Department at the RCP until December 2013. 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.