



A decade of measuring and
improving patient care



HQIP Trustees Report and Accounts

2017/18



31 March 2018

**Trustees**

Ms Sarah Dunnett (Treasurer)
Mr Richard Driscoll (Chair until 21.10.17)
Mr Philip Grimshaw Baker
Mr Alastair Henderson (vice-Chair and acting Chair 22.10.17 to 30.1.2018)
Mr Robert Johnstone
Dr Sheila Marriott
Professor Donna Kinnair, DBE (from 31.1.2018)
Professor Anne Marie Rafferty
Dr Linda Patterson, OBE
Dr Victoria Tzortziou Brown

Chief executive: Ms Jane Ingham

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Company registration number: 6498947 (England and Wales)

Charity registration number: 1127049

Auditor: Kingston Smith LLP, Devonshire House, 60 Goswell Road, London EC2 8AU

Bankers: Lloyds TSB Plc, 39 Threadneedle Street, London EC2R 8AU

Solicitors: Cameron's Solicitors LLP, 70 Wimpole Street, London W1G 8AX



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The Healthcare Quality Improvement Partnership

Although the primary purpose of the trustees' annual report (this report) is to ensure that the charity is publicly accountable to its stakeholders for the stewardship and management of the funds it holds on trust in 2017/18, we are also pleased to highlight our achievements from the last decade as we celebrate our 10th anniversary year.

Our Founding Members are The Academy of Medical Royal Colleges, The Royal College of Nursing and National Voices (formerly The Long-Term Medical Conditions Alliance).

Our programmes of work produce high quality data to support QI (Quality Improvement) at many levels. We work in partnership with patients and healthcare professionals to influence and improve healthcare practice. Specifically our outputs continue to be designed to support change amongst people who:

- Receive care
- Deliver care
- Commission care
- Regulate care

In 2008 HQIP employed 13 members of staff, in 2017/18 there were 37 staff plus an extensive and supportive stakeholder network. In 2008, HQIP had an annual turnover of £11.2 million pounds. In 2017/18 we had an annual turnover of £20.1 million pounds.

In 2018, our major work programme is to commission, manage and develop the national clinical audit and patient outcomes programme on behalf of NHS England (NHSE) in England and Wales. We also work with the devolved administrations and crown dependencies on commissions. We actively seek to align our work with other national bodies and their quality improvement programmes to improve patient care with an intent to maximise opportunities to align data collection and use. We regularly engage with the Care Quality Commission (CQC), NICE, NHS Improvement, Public Health England and NHS Digital as well as a broad spectrum of professional leadership bodies.

Chair and CEO statement

It's been another eventful and impactful year for HQIP as we mark our 10th anniversary. This year we were delighted to be re-awarded the contract to deliver the National Clinical Audit and Patient Outcomes Programme (NCAPOP) on behalf of NHSE for the third time. We feel that this success in part reflects our ability to adapt and evolve according to national policy and initiatives but also reflects the 'good standing' we hold with the audit and improvement communities. As ever, we recognize that it is our ability to build strong relationships and to work collaboratively across the arena that maximizes our impact. This is achieved in no small part by our small but highly able team as we continue to provide high quality commissioning of the provision of robust data and information to support improvement.

This year HQIP has invested significant resource to ensure that we develop the legal and information governance aspects of our role in preparation for the changes to data protection legislation. This will continue to be an important part of our role ensuring that we maintain and maximize participation in the national programme, building confidence in the public by ensuring and demonstrating that personal data is handled safely and appropriately. We maintain the existing close and productive relationships we have with other national bodies such as NHS Digital and the Office for National Statistics to help us deliver the national strategic aim to minimize the burden of data collection.

To maximise the impact and value from NCAPOP, we have further developed our approaches to encourage the appropriate use of our data, firmly supporting the 'collect once, use it multiple times' ethos. We are very proud of our National Clinical Audit Benchmarking (NCAB) initiative which distils what can be necessarily extensive reporting into a concise set of key metrics for each audit topic (www.hqip.org.uk/national-programmes/clinical-audit-benchmarking/). Results are presented in an easy to understand visual form, specific for each trust, hospital and in some cases ward where available, against national benchmarks. Supported by the HQIP Board, we are working to ensure that more audit topics will become available over time. We have been delighted by the positive feedback we have received.

2017/18 has seen another year of high performance. We have published 53 audit and review reports contributing to improvements in care for more than 30 health conditions including lung cancer, diabetes, stroke, maternity care and dementia, to name just a few.

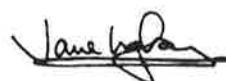
We continue to work to enhance the impact of the work we commission by setting clear improvement aims ensuring that commissioned providers access quality improvement leadership as part of their delivery team working to achieve sustained improvements for patients. We work closely with NHSE to support a systematic multi-agency approach to reviewing and acting on recommendations that surface. All of this activity continues to build on the original object and aims of HQIP originally described in 2008.

This year, we tragically lost our out-going chair of the Board of Trustees, Richard Driscoll, following a hugely influential career. His death, so sudden and so early, is particularly poignant as Richard was looking forward to spending more time with his family and wife. HQIP had developed both in capacity and in reputation during his tenure. He actively engaged and supported our work both with the staff body and by promoting our work with our stakeholders. He is very much missed.

Last but by no means least, thank you to everyone who makes our work possible: our staff, the HQIP Board of Trustees, Service User Network members, and of course, the clinical and improvement community around the country all play their part with great dedication. Without their shared commitment and aspiration to improve patient care and outcomes, we would not be in a position to report our success and impact in this report.



Donna Kinnair,
Chair, HQIP



Jane Ingham,
CEO, HQIP



Vision and objectives

OUR VISION

HQIP aims to improve health outcomes by enabling those who commission, deliver and receive healthcare to measure and improve our healthcare services.

OUR VALUES

HQIP is an independent organisation, which works in partnership with patients and healthcare professionals to influence and improve healthcare practice at all levels. We are committed to being open and accountable, and to listen, learn and respond swiftly and appropriately as part of our ongoing cycle of improvement.

OUR WORK AND HOW IT ACHIEVES OUR VISION AND VALUES

- HQIP commissions, manages, supports and promotes national and local programmes of quality improvement. This includes the National and Local clinical audit programmes, the Clinical Outcome Review Programmes and the National Joint Registry (NJR) on behalf of NHS England and other healthcare departments and organisations. HQIP uses best management and procurement practice to ensure robust results and actionable recommendations
- HQIP ensures patients and carers remain at the heart of our work through continued, strategic involvement in all relevant processes and projects
- HQIP supports healthcare professionals to review and improve their practice by providing education and training programmes, and opportunities to share best practice as part of promoting an integrated approach to quality improvement
- HQIP works to inform and influence national healthcare policy by effectively communicating its work and that of its partners
- HQIP encourages wide use of robust data for quality improvement of care, offering patient choice, promoting patient safety, supporting revalidation and service accreditation, commissioning, service redesign, and research
- HQIP is committed to be an efficient, well run organisation, which supports staff development and welfare

10 YEARS OF HQIP 2008-2018

HQIP was incorporated as a private limited company on the 11 February 2008.

In our 10th anniversary year, it is clear that HQIP has stood the test of time in a period of rapid and repeated change in the healthcare sector. HQIP's 2008 founding objects, which still stand today, were to:

- Protect and preserve public health and welfare by promoting and supporting improvements in the quality of health and social care services

Ten years on we have consistently delivered against our aims by enabling those who commission, deliver and receive healthcare to measure and improve healthcare service. In 2018 the words "quality improvement" (QI) are common place with many national and international initiatives supporting the ever increasing profile of QI. This was not so in 2008 but it has always been HQIP's core business.

Find out more about the impact and achievements of HQIP on page 8 and 9 of this report.



Strategic report

PUBLIC BENEFIT

In shaping our objectives for and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2)'. The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

ACHIEVEMENTS AND PERFORMANCE: ACTIVITY AND IMPACT IN 2017/18

As an organisation, HQIP has:

- Successfully led the National Clinical Audit and Patient Outcome Programme (NCAPOP) on behalf of NHS England, the Welsh Government and other devolved nations. In March 2018 HQIP was re-commissioned to deliver NCAPOP for a further three year period up until 2021
- Worked with the devolved administrations and crown dependencies to enable participation in confidential enquiries and national clinical audits as required
- Published 53 national benchmarked reports and widely disseminated and communicated findings – all aimed at improving patient outcomes
- Continued to manage and develop the National Clinical Audit Benchmarking initiative – an online portal presenting trust-by-trust NCA results set against national benchmarks. During the 2017-18 period over 3600 users and 148 Trusts benefited from the portal's at a glance data
- Facilitated the fifth national Clinical Audit Awareness Week – a highly popular annual campaign promoting and celebrating the benefits and impact of clinical audit and quality improvement. Over 30 nominations were received for the accompanying National Audit Heroes campaign in 2017
- Developed additional outputs from the programme to support national improvement agencies and regulation bodies e.g. CQC, clinical service quality markers and clinical outcomes programme (NHS England) including publishing 10 online resources to support clinical teams with their quality improvement activities
- Through the National Joint Registry (NJR) continued to assure patient safety of replacement joints by post-market surveillance and evolving risk adjustment methodology used for outlier monitoring
- Ensured that HQIP met its information governance requirements including assurance of the responsible use of data for secondary purposes as service evaluation and research by considering over 80 applications under the Data Access Review Group
- Continued to work collaboratively across the healthcare sector through our advisory groups by building and maintaining direct relationships
- Continued to host the on-going work of Clinical Service Accreditation – a patient-focused and professionally led accreditation and quality improvement framework recognised by the Care Quality Commission and underpinned by professionally led standards developed in partnership with the British Standards Institute
- Continued to develop and maintain the **HQIP website** to ensure maximum useability for all audiences. During the 2017/18 period the site attracted 102,740 unique users from across the UK and internationally
- Achieved high performance against all the key performance indicators set as part of the operational planning process for 2017/18



ACHIEVEMENTS AND PERFORMANCE: OUR IMPACT

- Partnership working...** By working with key strategic networks and professional partnerships who share our vision of quality care, we have effectively positioned our programmes of work. Our programmes are clinically designed and led and this has meant that outputs are trusted and valued. As a result both the CQC and GIRFT (Getting It Right First Time) have demonstrated their confidence in HQIP and are using our outputs to inform their own activities
- Reducing burden – focused data collection and intelligent re-use...**
 - We have made significant progress in our efforts to reduce the burden on health care staff whose role it is to collate and analyse audit information by ensuring that any data collected is focussed and appropriate
 - Our audit data is used by CQC to inform its regulatory inspections thereby reducing the need for Trusts to provide performance information separately. NICE continue to use our data to review their quality standards implementation process
- A Quality Improvement (QI) focus...**
 - Supported by professional leadership, our programme reports include case studies and audience-specific recommendations based on national and local data that have a clear QI focus. This both informs and encourages services to undertake local improvement
 - HQIP's online benchmarking portal, known as **NCAB**, is helping to simplify the improvement process further by presenting complex audit data in a more focused set of publically available metrics. With seven participating audits in March 2018, we have set a target of 20 participating audits by March 2019
- Patient involvement and focus...** Today we are as committed to patients and carers as we were in 2008. Our results are tailored for service users and can be found on public-facing websites such as **myNHS**. Our Service User Network also provides a valuable window into the patient experience and are increasingly acting as advocates for HQIP and its work

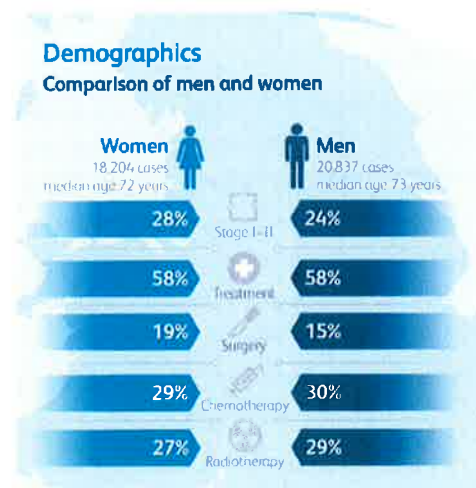


Fig. 1: Examples of well presented NCAPOP data, designed to be understandable by professionals and service users alike. These examples are taken from the following reports (from left to right): Suicide by children and young people (Published July 2017); National Lung Cancer Audit 2017 - Key findings for patients and carers (published March 2018)

NATIONAL HIP FRACTURE DATABASE (NHFD): NCA DATA IMPACT

"Since 2007 National Hip Fracture Database users have benefitted from ongoing access to National Clinical Audit data. Throughout the years the presentation of this data has evolved and is now available in a variety of easy to understand visual formats such as performance run charts.

Such is the penetration of this data, clinical teams are now able to monitor trends in patient outcomes throughout the year. This is a significant improvement on previous years when this information would only have been available on an annual basis. As a direct result we have noticed some significant and positive changes. When we contacted outliers as part of our case mix adjusted mortality review, the sites concerned were already aware of their outlier status and had undertaken case reviews of the patients who had died. This enabled us to spend a greater amount of quality time supporting NHFD clinical leaders and providing them with constructive recommendations on how to improve the quality of care."



Chris Boulton,
Former NHFD
programme manager



Fig. 2: National Hip Fracture Database best practice online run chart showing real-time performance against key performance indicators

FUTURE WORK: OVERARCHING AIMS

HQIP aims are to:

- Continue to maximise the impact of national clinical audit, confidential enquiries, registries and accreditation on improving patient outcomes
- Explore how HQIP can maximise its potential to facilitate and enable service users, commissioners, clinical teams and provider organisations to make use of high quality data in their improvement journey
- Seek opportunities that build on our organisational strengths to generate new workstreams
- Continue to keep patients and carers at the heart of the organisation
- Strengthen our multi-professional collaborative approach by working with new and emerging health improvement organisations
- Be an efficient well run organisation which supports its staff and their development

FUTURE WORK: ACTIVITY PLANNED FOR 2018/19

These are the underpinning themes identified that will influence and shape our work programme for 2018/19. They will be used to consider activities that will support us in delivering our vision and strategic objectives:

- Increasing our impact
- Nationally collated clinical data for local quality improvement
- Data quality
- Maximising the use of Technology
- Intelligent transparency



Trustees' report

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2018. The Trustees have adopted the provisions of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in July 2014.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustees and the 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 period that 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 those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements
- State whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The Trustees' Annual Report is approved by the trustees of the Charity. The Strategic Report, which forms part of the Annual Report, is approved by the Trustees in their capacity as directors in company law of the Charity.

Financial report

RESULTS FOR THE YEAR

Income

During the year ended 31 March 2018, HQIP received income totaling £20,108,708 (2017: £24,435,466) of which £17,994,308 (2017: £22,306,362) was for restricted purposes, and £2,114,400 (2017: £2,129,104) was for the general purposes of the charity including management fees of £2,024,000 (2017: £2,020,040).

Income included £8,706,541 (2017: £10,981,683) to finance 32 (2017: 32) national clinical audits. In addition, HQIP collected subscriptions of £2,106,775 (2017: £2,079,270) from NHS Trusts to support national audits. The Scottish Government contributed £170,056 (2017: £69,171) to NCAPOP audits.

In 2018, income for the Clinical Outcome Review Programmes totalling £2,925,007 (2017: £3,834,038) was collected from all UK Administrations. This included funding for a National Mortality Case Record Review. There was no further income for the Learning Disabilities Mortality Review in 2018 (2017: £1,800,000).

In 2017-18, the National Joint Registry (NJR) collected subscriptions totalling £2,904,090 (2017: £2,736,110). Other income of £586,466 (2017: £602,624) included supplier contributions and income for a price bench marking service. NJR income is held in a separate bank account to be used solely to fund the work of the Registry.

The charity does not engage in fundraising activities and no donations are sought from the public. HQIP does not use third parties to assist with fundraising and the charity received no complaints in this year regarding its fundraising practices.

Expenditure

In 2017-18, HQIP commissioned and managed 32 (2017: 32) national clinical audit contracts with a total value of £10,883,484 (2017: £10,635,261). Retendering and support costs were £35,754 (2017: £56,121).

Expenditure on the Clinical Outcome Review Programmes, including the National Mortality Case Record Review, was £3,495,818 (2017: £3,475,520). Governance costs were £20,925 (2017: £12,409). Expenditure on the Learning Disabilities Mortality Review was £894,318 (2017: £818,701).

Expenditure on the management and development of the National Joint Registry was £3,719,441 (2017: £2,954,447).

Expenditure on Clinical Outcomes Publication was £163,816 (2017: £221,962) including staff costs.

In 2017-18, HQIP spent a total of £398,986 (2017: £469,283) on Quality Improvement and Development work, including staffing and office costs.

Expenditure on the development of Clinical Service Accreditation was £38,852 (2017: £37,600). £47,042 (2017: £33,899) was spent on the development of Clinical Service Quality Measures.

Other direct charitable expenditure, including support costs, totalled £1,647,354 (2017: £1,691,753).

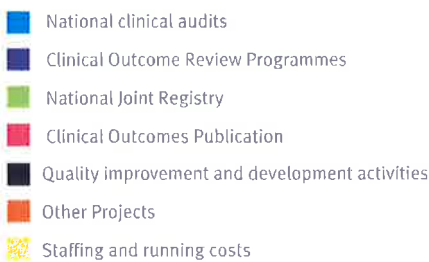
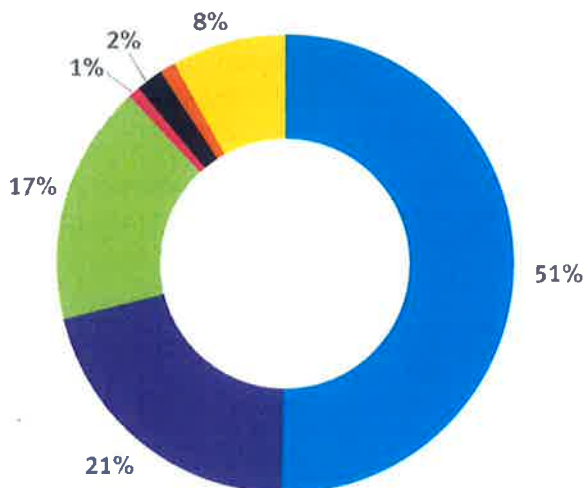


Financial position

The balance sheet at 31 March 2018 shows total funds of £18,098,266 (2017: £19,335,346), including restricted funds totaling £16,009,880 (2017: £17,676,351) and unrestricted funds comprising general funds of £1,294,183 (2017: £835,008), tangible and intangible fixed assets of £19,965 (2017: £46,138) and designated funds of £774,238 (2017: £777,848).

At 31st March 2018, the charity retained free reserves of £1,294,183 (2017: £835,008).

Fig. 3: HQIP expenditure 2017/18



Reserves Policy

The Trustees have examined the requirement for free reserves, i.e. those unrestricted funds not invested in tangible or intangible 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 months' staffing and lease commitments (£569,788 to £1,139,576). The actual free reserves of £1,294,183 at March 2018 were above this range.

The Trustees have elected to create a designated Stability Fund of £700,000 within its unrestricted reserves for the following illustrative purposes: replacement of IT equipment; relocation and associated costs; transition to new contractual arrangements; continuity of some workstreams; and to meet the costs of generating new business in 18/19.

Investments

The Trustees have agreed an investment policy whereby there must be minimal risk to capital, and investment products must meet high ethical standards. The performance of investments is reported at each Board meeting and reviewed at least twice annually. Investment income accruing to restricted monies is applied to the relevant restricted fund.

Remuneration policy

There were no changes to HQIP's remuneration policy during the year. It is proposed, however, that salary benchmarking be undertaken regularly. This is next due in 2018.

Risk management

The Board of Trustees maintains a comprehensive Risk Register which is reviewed and discussed at every Board Meeting. Risks are categorised under four categories:

- Governance and legal
- People, leadership and management
- Delivery and impact
- Finance

The probability and impact of each risk is calculated and the charity's mitigation strategy for each is noted. Risks assessed as potentially having the greatest impact in 2017/18 were:

1. **Risk:** Failure of information governance management
Mitigation: Suite of information governance policies; formation of an independent information governance advisory group; training of all staff on an annual cycle
2. **Risk:** Failure to deliver on prime contract
Mitigation: Regular contract reviews with agreed deliverables; robust systems, documentation and monitoring of processes and plans
3. **Risk:** Reputational damage due to publication of inappropriately validated or risk-adjusted data
Mitigation: We have convened a Methodological Advisory Group drawing on audit expertise and academic collaborators; provision of guidance on outlier management, risk-adjustment methodologies, and data validation approaches
4. **Risk:** Handling of patient-identifiable data by audit providers
Mitigation: Identification of the data flows in each audit with legal basis to be revisited at each recommissioning
5. **Risk:** Challenge to organisational procurement process
Mitigation: Appropriately qualified and experienced procurement staff supported by an effective e-procurement system and agreed processes; legal support and access to external procurement expertise available and utilized. Use learning from external challenge to ensure processes and documentation are robust

Other risks are minimised by internal quality control procedures, including 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.



Governance

HQIP is a company limited by guarantee and incorporated on 11 February 2008. It was subsequently registered for charitable purposes with the Charity Commission for England and Wales on 4 December 2008. 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.

The Board meets four times a year and additionally for special occasions. From their members they elect a Chair and appoint 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 and delivery. The Trustees handle matters of strategic planning and policy, including sign-off of the charity's strategic and operational plans.

Sign off

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

Trustee

Approved on:

11/10/18

HQIP commissions¹ in 2017-18

National clinical audits

- Adult Diabetes:
 - National Diabetes Foot Care Audit
 - National Diabetes Inpatient Audit
 - National Pregnancy in Diabetes Audit
 - National Diabetes Transition
 - National Core Diabetes Audit
- Anxiety and Depression
- Breast Cancer in Older Patients
- Care at the End of Life
- Chronic Kidney Disease
- Chronic Obstructive Pulmonary Disease with Asthma
- Dementia: Care in General Hospitals
- Emergency Laparotomy (NELA)
- Falls and Fragility Fracture:
 - Fracture Liaison Service Database
 - Inpatient Falls
 - National Hip Fracture Database
- Head and Neck Cancer
- Inflammatory Bowel Disease
- Lung Cancer
- Maternity and Perinatal
- National Cardiac Audit Programme (NCAP):
 - Adult Cardiac Surgery Audit
 - Congenital Heart Disease Audit
 - Heart Failure Audit
 - Heart Rhythm Management Audit
 - Myocardial Ischemia Audit Programme (MINAP)
 - Percutaneous Cardiac Intervention Audit
- National Gastro-intestinal Cancer Audit Programme:
 - Bowel Cancer Audit
 - Oesophago-Gastric Cancer Audit
- National Joint Registry
- National Vascular Registry
- Neonatal (NNAP)
- Ophthalmology
- Paediatric Diabetes
- Paediatric Intensive Care
- Prostate Cancer
- Psychosis
- Early Inflammatory Arthritis
- Seizures and Epilepsy in Children and Young People (Epilepsy 12)
- Specialist Rehabilitation for Patients with Complex Needs
- Stroke (SSNAP)

National clinical audit feasibility studies

- Asthma
- Prevention of Venous Thrombo-Embolism in hospitals

Clinical Outcome Review Programmes

- Child Health
- Maternal and Newborn Infant
- Medical and Surgical
- Mental Health

Non-NCAPOP commissions

- National Mortality Case Record Review Programme
- Perinatal Mortality Review Tool

Mortality review programmes

- Learning Disability
- National Child Mortality Database

¹ Procured, awarded and managed



Independent Auditor's Report to the members of Healthcare Quality Improvement Partnership

OPINION

We have audited the financial statements of Healthcare Quality Improvement Partnership ('the company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2018 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the charitable company in accordance with

the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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.



RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page [x], the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

USE OF OUR REPORT

.....

This report is made solely to the charitable company'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 company'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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Neil Finlayson Statutory Auditor

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP
Statutory Auditor
Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 18/10/2018



Statement of financial activities year to 31 March 2018

| | | Unrestricted Funds | Restricted Funds | Total 2018 | Total 2017 |
|---|------|-----------------------|---------------------|---------------|---------------|
| | Note | £ | £ | £ | £ |
| INCOME AND EXPENDITURE | | | | | |
| Income | | | | | |
| Income from Investments | 2 | 12,424 | 12,424 | 24,848 | 30,760 |
| Charitable Activities | | | | | |
| Management, development and promotion of Clinical Audit | 3 | 2,094,503 | 17,981,884 | 20,076,387 | 24,313,918 |
| Other income | 4 | 7,473 | - | 7,473 | 90,788 |
| Total Income | | 2,114,400 | 17,994,308 | 20,108,708 | 24,435,466 |
| Expenditure | | | | | |
| Charitable activities | | | | | |
| Management, development and promotion of Clinical Audit | 5 | 1,685,009 | 19,660,779 | 21,345,788 | 20,406,956 |
| Total Expenditure | | 1,685,009 | 19,660,779 | 21,345,788 | 20,406,956 |
| Net Income | 7 | 429,391 | (1,666,471) | (1,237,080) | 4,028,509 |
| Transfers between funds | | | | | |
| Net movement in funds | | 429,391 | (1,666,471) | (1,237,080) | 4,028,509 |
| Balances brought forward at 1 April 2017 | | 1,658,995 | 17,676,351 | 19,335,346 | 15,306,837 |
| Balances carried forward at 31 March 2018 | | 2,088,386 | 16,009,880 | 18,098,266 | 19,335,346 |

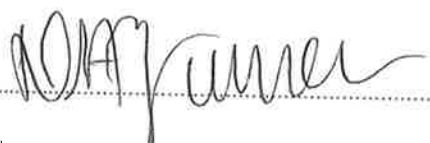
All gains and losses arising in the period have been included in the statement of financial activities and relate to continuing operations.

Balance sheet 31 March 2018

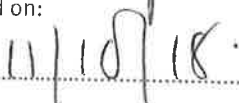
| | | 2018 | 2018 | 2017 | 2017 |
|---|-------|--------------|------------|--------------|------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | Total | | Total | |
| Intangible fixed assets | 11 | | 16,977 | | 37,338 |
| Tangible fixed assets | 12 | | 2,987 | | 8,800 |
| | | | 19,965 | | 46,138 |
| Current assets | | | | | |
| Debtors due within one year | 13 | 5,516,944 | | 4,492,854 | |
| Cash at bank and in hand | | 18,845,668 | | 21,152,583 | |
| | | 24,362,612 | | 25,645,437 | |
| Creditors: amounts falling due within one year | 14 | (6,284,311) | | (6,356,230) | |
| Net current assets | | | 18,078,301 | | 19,289,208 |
| Total net assets | | | 18,098,266 | | 19,335,346 |
| Funds and reserves | | | | | |
| Restricted funds | 15 | | 16,009,880 | | 17,676,351 |
| Unrestricted funds | | | | | |
| General fund | | 1,294,183 | | 835,008 | |
| Tangible fixed assets fund | 16 | 19,965 | | 46,138 | |
| Designated funds | 17 | 774,238 | | 777,848 | |
| | | | 2,088,386 | | 1,658,995 |
| | | | 18,098,266 | | 19,335,346 |

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:





Statement of cash flows for the year ended 31 March 2018

| | 2018 | 2017 |
|--|--------------------|-------------|
| | £ | £ |
| Cashflow from operating activities | | |
| Net cash (used in)/provided by operating activities | (2,331,763) | 5,764,846 |
| Cashflows from investing activities | | |
| Investment income and interest received | 24,848 | 30,760 |
| Payments to acquire tangible fixed assets | - | (3,390) |
| Net cash inflow from investing activities | 24,848 | 27,370 |
| Net (decrease)/increase in cash and cash equivalents | (2,306,915) | 5,792,216 |
| Cash and cash equivalents at the beginning of the year | 21,152,583 | 15,360,367 |
| Cash and cash equivalents at end of year | 18,845,668 | 21,152,583 |
| Reconciliation of net income to net cash flow from operating activities | | |
| Net (expenditure)/income including endowments | (1,237,080) | 4,028,509 |
| Adjustments for: | | |
| Depreciation charge | 5,812 | 14,120 |
| Amortisation charge | 20,361 | 20,361 |
| Interest receivable | (24,848) | (30,760) |
| (Increase)/decrease in debtors | (1,024,090) | 3,654,613 |
| (Decrease) in creditors | (71,919) | (1,921,996) |
| Net cash inflow from operating activities | (2,331,763) | 5,764,846 |

Notes to the accounts 2017/18

PRINCIPAL ACCOUNTING POLICIES

1) Accounting Policies

a) Basis of accounting

These financial statements are prepared on a going concern basis, under the historical cost convention.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the company.

Monetary amounts in these financial statements are rounded to the nearest pound.

b) Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going

concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on contract income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

c) Income

Income is 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 extended in a future accounting period. Income is only recognised for amounts that are probable 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.



PRINCIPAL ACCOUNTING POLICIES CONTINUED

1) Accounting policies continued

d) Expenditure 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.

Expenditure comprises the following:

i) 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
- Clinical Outcome Review Programmes: commissioning and managing enquiries and reviews
- Clinical Outcomes Publication
- National Joint Registry: expenditure relating to the management and development of the Registry
- Quality improvement and development activities
 - Expenditure relating to the promotion and advancement of clinical audit as a means of improving the provision of healthcare

ii) 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.

e) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

PRINCIPAL ACCOUNTING POLICIES CONTINUED

1) Accounting policies continued

f) 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 fixed assets fund comprises the net book value of charity's 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.

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.

g) 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 costs
- Furniture and general office equipment
20% per annum based on costs

h) Intangible fixed assets

Intangible fixed assets include the development costs of the website and are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following basis:

- Website development costs
33% per annum based on costs

i) Operating lease

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the terms of the lease.

j) Pension contributions

i) 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.



PRINCIPAL ACCOUNTING POLICIES CONTINUED

1) Accounting policies continued

j) Pension contributions (continued)

ii) Defined contribution scheme

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

k) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

l) Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to

be basic financial instruments under FRS 102. See notes 13 and 14 for the debtor and creditor notes.

m) Judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

2) INTEREST RECEIVABLE

| | Unrestricted Funds | Restricted Funds | Total 2018 |
|--------------------------|--------------------|------------------|------------|
| | £ | £ | £ |
| Bank interest receivable | 12,424 | 12,424 | 24,848 |
| | Unrestricted Funds | Restricted Funds | Total 2017 |
| | £ | £ | £ |
| Bank interest receivable | 15,380 | 15,380 | 30,760 |

5) CHARITABLE ACTIVITIES CONTINUED

| | Unrestricted Funds | Restricted Funds | Total 2018 |
|--|-----------------------|---------------------|---------------|
| | £ | £ | £ |
| Clinical Outcomes Publication | | | |
| Clinical Outcomes Publication | - | 46,871 | 46,871 |
| Staff Costs | - | 64,978 | 64,978 |
| Support Costs | - | 51,966 | 51,966 |
| | - | 163,816 | 163,816 |
| Quality Improvement and Development | | | |
| Reinvigoration of Clinical Audit | 21,985 | - | 21,985 |
| Education & Training | 19,057 | - | 19,057 |
| National Events | - | - | - |
| Staff Costs | 152,872 | - | 152,872 |
| Support Costs | 205,072 | - | 205,072 |
| | 398,986 | - | 398,986 |
| Development of Clinical Service Accreditation | | | |
| Direct Costs | - | 26,516 | 26,516 |
| Staff Costs | - | 12,336 | 12,336 |
| | - | 38,852 | 38,852 |
| Clinical Service Quality Measures | | | |
| Staff Costs | - | 42,042 | 42,042 |
| Support Costs | - | 5,000 | 5,000 |
| | - | 47,042 | 47,042 |
| | 1,685,009 | 19,660,779 | 21,345,788 |



5) CHARITABLE ACTIVITIES CONTINUED

| | Unrestricted Funds | Restricted Funds | Total 2017 |
|--|-----------------------|---------------------|---------------|
| | £ | £ | £ |
| Management, development and promotion of clinical audit | | | |
| National Clinical Audit and Patient Outcomes Programme (NCAPOP) | | | |
| NCAPOP Audits | - | 10,635,261 | 10,635,261 |
| NCAPOP Retendering & Support Costs | - | 56,121 | 56,121 |
| Methodological Support | 835 | - | 835 |
| NCAPOP Transition Costs | - | 550 | 550 |
| Regional and Multi-Site Audits | - | 18,927 | 18,927 |
| Registers and databases | - | - | - |
| Clinical Outcome Review Programmes | | | |
| Programme Costs incl NMCRR | - | 3,475,520 | 3,475,520 |
| Learning Disabilities Mortality Review | - | 818,701 | 818,701 |
| National Review of Asthma Deaths | - | 10,000 | 10,000 |
| Head Injuries Project | | - | - |
| Governance | 12,409 | - | 12,409 |
| Staff Costs | 747,320 | 316,232 | 1,063,552 |
| Support Costs | 491,807 | 63,000 | 554,807 |
| Commissioning Support Group | 8,907 | - | 8,907 |
| Bad Debt | - | 22,025 | 22,025 |
| | 1,261,278 | 15,416,338 | 16,677,616 |
| National Joint Registry (NJR) | | | |
| NJR Programme Costs | - | 2,481,849 | 2,481,849 |
| Staff Costs | - | 329,773 | 329,773 |
| Support Costs | - | 142,710 | 142,710 |
| Bad Debt | - | 116 | 116 |
| | - | 2,954,447 | 2,954,447 |

5) CHARITABLE ACTIVITIES CONTINUED

| | Unrestricted Funds | Restricted Funds | Total 2017 |
|--|-----------------------|---------------------|---------------|
| | £ | £ | £ |
| Clinical Outcomes Publication | | | |
| Clinical Outcomes Publication | - | 112,285 | 112,285 |
| Staff Costs | - | 57,642 | 57,642 |
| Support Costs | - | 52,035 | 52,035 |
| | - | 221,962 | 221,962 |
| Quality Improvement and Development | | | |
| Reinvigoration of Clinical Audit | 74,405 | - | 74,405 |
| Education & Training | 28,723 | - | 28,723 |
| National Events | 169 | - | 169 |
| Staff Costs | 211,414 | - | 211,414 |
| Support Costs | 154,134 | - | 154,134 |
| Bad Debt | 437 | - | 437 |
| | 469,283 | - | 469,283 |
| Audit and Social Care | | | |
| Audit & Social Care | 12,150 | - | 12,150 |
| | 12,150 | - | 12,150 |
| Development of Clinical Service Accreditation | - | 23,797 | 23,797 |
| Staff Costs | - | 13,803 | 13,803 |
| | - | 37,600 | 37,600 |
| Clinical Service Quality Measures | | | |
| Staff Costs | - | 33,835 | 33,835 |
| Support Costs | - | 63 | 63 |
| | - | 33,899 | 33,899 |
| | 1,742,711 | 18,664,245 | 20,406,956 |



6) SUPPORT COSTS

| | Total 2018 | Total 2017 |
|--|----------------|----------------|
| Staff costs (Core Team Apportioned) | 365,088 | 362,888 |
| Consultancy to NCAPOP and IG Support | 79,425 | 24,290 |
| Other Staff Costs and Sundry Expenses | 8,684 | 3,042 |
| Staff Training | 21,465 | 4,175 |
| Staff Recruitment | 18,135 | 11,885 |
| Advertising & Publicity | 30,218 | 15,850 |
| Financing & Bank Charges | 1,010 | 1,002 |
| Hire of Office Equipment | 4,433 | 5,200 |
| Website Design and hosting | 21,448 | 22,467 |
| Marketing Automation | 14,764 | 15,981 |
| Premises Costs (Rent & Facilities Charges) | 198,073 | 192,817 |
| Computer Equipment & Software | 22,822 | 23,941 |
| IT Support | 30,394 | 23,592 |
| Printing, Stationery & Office Supplies | 8,914 | 12,383 |
| Postage | 627 | 4,164 |
| Telephone | 13,712 | 13,910 |
| Other Accommodation Costs and Room Hire | 1,189 | 1,266 |
| Travel, Subsistence & Accommodation | 21,093 | 22,176 |
| Service User Network | 4,540 | 10,584 |
| Subscriptions | 1,794 | 4,732 |
| Communications | 17,807 | 17,803 |
| Other Meeting Costs inc. Catering | 7,014 | 13,459 |
| Insurance | 15,190 | 17,419 |
| Professional Fees – HR Consultancy | 2,810 | 12,210 |
| Job Levelling Exercise | - | 15,060 |
| Depreciation | 5,812 | 14,120 |
| Amortisation | 20,361 | 20,361 |
| Governance: | | |
| <i>Audit Fees</i> | 13,500 | 13,185 |
| <i>Legal and other Governance Costs</i> | 3,359 | 2,277 |
| <i>Trustee expenses</i> | 590 | 1,448 |
| | 954,271 | 903,685 |

6) SUPPORT COSTS CONTINUED

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

| | 2018 | 2017 |
|---|---------|---------|
| Commissioning and contract management of clinical audit | 522,096 | 491,807 |
| National Joint Registry | 134,637 | 142,710 |
| Quality improvement and development (QID) | 205,072 | 154,134 |
| Consultant Outcomes Publication | 51,966 | 52,035 |
| National Mortality Case Record Review | 40,500 | 63,000 |
| | 954,271 | 903,685 |

7) NET MOVEMENT IN FUNDS

This is stated after charging :

| | Unrestricted | Restricted | 2018 Total |
|-------------------------------|--------------|------------|---------------|
| Auditor's remuneration | | | |
| Statutory audit services | 9,450 | 4,050 | 13,500 |
| Depreciation | 5,812 | - | 5,812 |
| Amortisation | 20,361 | - | 20,361 |
| Operating Lease Rentals | 180,857 | - | 180,857 |

| | Unrestricted | Restricted | 2017 Total |
|-------------------------------|--------------|------------|---------------|
| Auditor's remuneration | | | |
| Statutory audit services | 9,230 | 3,956 | 13,185 |
| Depreciation | 14,120 | - | 14,120 |
| Amortisation | 20,361 | - | 20,361 |
| Operating Lease Rentals | 175,637 | - | 175,637 |



8) EMPLOYEES AND STAFF COSTS

| | 2018 | 2017 |
|--|-----------|-----------|
| | £ | £ |
| Wages and Salaries | 1,529,192 | 1,434,170 |
| Social Security Costs | 178,461 | 165,263 |
| Pension Costs (Aegon Scottish Equitable) | 69,072 | 63,486 |
| Pension Costs (NHS) | 19,946 | 20,348 |
| Pension Admin Charges | 1,200 | 2,776 |
| Cost of Secondments | 220,277 | 174,539 |
| Cost of Agency Staff | 139,222 | 212,327 |
| | 2,157,370 | 2,072,909 |

Staff costs have been allocated as follows:

| | 2018 | 2017 |
|---|-----------|-----------|
| | £ | £ |
| Management, development and promotion of clinical audit | 1,082,072 | 1,063,552 |
| National Joint Registry | 437,982 | 329,773 |
| Quality improvement and development | 152,872 | 211,414 |
| Clinical outcomes publication | 64,978 | 57,642 |
| Accreditation | 12,336 | 13,803 |
| Clinical service quality measures | 42,042 | 33,835 |
| Support Costs | 365,088 | 362,888 |
| | 2,157,370 | 2,072,909 |

8) EMPLOYEES AND STAFF COSTS CONTINUED

The average number of employees during the period and the actual numbers at 31 March 2018 calculated on a full time equivalent basis, analysed by function, was as follows:

| | 2018 | 2018 | 2017 | 2017 |
|--|-------------|-----------|-------------|-----------|
| | Av No. | Actual | Av No. | Actual |
| Charitable activities | | | | |
| Contract Management & Commissioning | 16.4 | 20 | 15.9 | 22 |
| NJR Team | 4.5 | 5 | 3.4 | 4 |
| Quality Improvement and Development Team | 3.2 | 6 | 3.7 | 6 |
| Management and Core Services | 5.2 | 6 | 4.5 | 5 |
| TOTAL | 29.3 | 37 | 27.5 | 37 |

The number of employees who earned £60,000 per annum or more during the period was

| | 2018 | 2017 |
|------------------|------|------|
| £60,000-70,000 | 2 | 3 |
| £70,000-80,000 | 5 | 3 |
| £80,000-90,000 | 2 | 1 |
| £100,000-110,000 | 1 | 1 |

HQIP made contributions to defined contribution schemes totalling **£19,946** (2017: £43,336).

Key management personnel include the Trustees, Chief Executive (and senior staff reporting directly to the Chief Executive). The total employee benefits of the charity's key management personnel were **£324,677** (2017: £287,765).

Two key management personnel were seconded and therefore not paid through payroll.



9) TRUSTEES' REMUNERATION

None of the Trustees received any remuneration in respect of their services during the period (2017: £Nil).

During the year out of pocket travelling expenses amounting to **£590** were reimbursed to 4 Trustees (2017: £1,448 to 4 trustees).

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 **£15,190** and provides cover up to a maximum of **£10,000,000.00** (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 for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

11) INTANGIBLE FIXED ASSETS

| | Fixtures, fittings & equipment |
|-----------------------------------|--------------------------------------|
| Cost | £ |
| At 1 April 2017 and 31 March 2018 | 61,089 |
| | 61,089 |
| Amortisation | |
| At April 2017 | 23,751 |
| Charge for the Year | 20,361 |
| At March 2018 | 44,112 |
| Net Book Values | |
| At March 2018 | 16,977 |
| At March 2017 | 37,388 |

12) TANGIBLE FIXED ASSETS

| | Fixtures, fittings & equipment |
|--------------------------------------|--------------------------------|
| Cost | £ |
| At 1 April 2017 and at 31 March 2018 | 84,959 |
| | 84,959 |
| Depreciation | |
| At April 2017 | 76,158 |
| Charge for the Year | 5,812 |
| At March 2018 | 81,971 |
| Net Book Values | |
| At March 2018 | 2,988 |
| At March 2017 | 8,800 |

13) DEBTORS

| | 2018 £ | 2017 £ |
|-----------------------------|-----------|-----------|
| Trade Debtors | 4,203,319 | 3,733,502 |
| VAT Refundable | 303,274 | - |
| Prepayments & Other Debtors | 770,708 | 482,580 |
| Accrued income | 239,642 | 276,773 |
| | 5,516,944 | 4,492,854 |



14) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2018 | 2017 |
|-------------------------|-----------|-----------|
| | £ | £ |
| Expense creditors | | |
| Trade Creditors | 4,207,626 | 3,823,675 |
| Other Creditors | 27,689 | 15,959 |
| Tax and social security | 47,499 | 413,283 |
| Accruals | 1,491,782 | 1,601,278 |
| Deferred income | 509,715 | 502,034 |
| | 6,284,311 | 6,356,230 |

15) RESTRICTED FUNDS

| | At 1 April 2017 | Income | Expenditure | Transfers | At 31 Mar 2018 |
|---|--------------------|------------|--------------|-------------|-------------------|
| NCAPOP Audits | 8,959,263 | 8,706,541 | (10,883,484) | 1,735,506 | 8,517,827 |
| NCAPOP Subscriptions | - | 2,106,775 | (341,755) | (1,765,020) | - |
| Consultant Outcomes Publication | - | - | (163,816) | 163,816 | - |
| NCAPOP Scottish Extensions | - | 170,056 | - | (170,056) | - |
| NCAPOP Transition Costs | 139,822 | - | - | - | 139,822 |
| NCAPOP Relendering | - | - | (35,754) | 35,754 | - |
| Development of Clinical Service Accreditation | 125,004 | - | (38,852) | - | 86,152 |
| CORP Programme Costs including NMCRR & PMRT | 1,668,778 | 3,507,957 | (3,536,318) | - | 1,640,417 |
| Learning Disabilities Mortality Review | 2,891,179 | - | (894,318) | - | 1,996,861 |
| National Joint Registry | 3,836,204 | 3,502,979 | (3,719,441) | - | 3,619,742 |
| Clinical Service Quality Measures | 56,101 | - | (47,042) | - | 9,059 |
| | 17,676,351 | 17,994,308 | (19,660,779) | - | 16,009,880 |

15) RESTRICTED FUNDS CONTINUED

| | At 1 April 2016 | Income | Expenditure | Transfers | At 31 Mar 2017 |
|---|--------------------|------------|--------------|-------------|-------------------|
| | £ | £ | £ | £ | £ |
| NCAPOP Audits | 7,011,053 | 10,981,683 | (10,657,286) | 1,623,813 | 8,959,263 |
| NCAPOP Subscriptions | - | 2,079,270 | (316,232) | (1,763,037) | - |
| Clinical Outcomes Publication | 1,850 | - | (221,962) | 220,112 | - |
| NCAPOP Scottish Extensions | 67,838 | 69,171 | - | (137,009) | - |
| NCAPOP Transition Costs | 24,633 | - | (550) | 115,739 | 139,822 |
| NCAPOP Retendering | - | - | (56,121) | 56,121 | - |
| Development of Clinical Service Accreditation | 64,518 | 98,086 | (37,600) | - | 125,004 |
| Regional & Multisite Audits | 93,817 | - | (18,927) | (74,890) | - |
| CORP Programme Costs including NMCRR | 1,373,080 | 3,834,038 | (3,538,520) | - | 1,668,598 |
| Learning Disabilities Mortality Review | 1,909,880 | 1,800,000 | (818,701) | - | 2,891,179 |
| National Review of Asthma Deaths | 10,180 | - | (10,000) | - | 180 |
| National Joint Registry | 3,436,537 | 3,354,114 | (2,954,447) | - | 3,836,204 |
| Other Registers & Databases | 40,849 | - | - | (40,849) | - |
| Clinical Service Quality Measures | - | 90,000 | (33,899) | - | 56,101 |
| | 14,034,235 | 22,306,362 | (18,664,245) | - | 17,676,351 |



15) RESTRICTED FUNDS CONTINUED

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 agreed by NHS England. A list of NCAPOP audits supported in 2017-18 appears on page 16.

Clinical Outcomes Publication

Clinical Outcomes Publication is an NHS England initiative managed by HQIP, to publish quality measures at individual consultant, team and unit level using national clinical audit and administrative data.

Development of Clinical Service Accreditation

Development of Clinical Service Accreditation – in order to accurately assess the performance of clinical services in relation to established standards and implement ways to continuously improve these.

NJR – National Joint Registry

To fund work to collect and analyse data about joint replacement surgery in order to monitor and improve outcomes relating to the quality of implant and surgical performance and provide an early warning of issues that relate to patient safety. Also to provide patients, clinicians, commissioners, regulators and implant suppliers with evidence of the best performing and most cost effective implants, ensuring that NHS and other healthcare resources are best used. NJR funds are held in a separate bank account.

CORP – Clinical Outcome Review Programmes

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 the following topics: **deaths following medical and surgical intervention; suicides and homicide among people with mental illness; a child health review; and, maternal, infant and perinatal mortality.** Two further programmes have been commissioned – a review of factors contributing to excess premature **mortality for people with learning disabilities;** and development of a consistent and standardised methodology for **national mortality case record review.**

Clinical Service Quality Measures

HQIP was commissioned by NHS England to lead on the development of a set of measures for patients and clinicians to gain easier access to information on paediatric diabetes.

16) FIXED ASSETS FUND

| | At 1 April 2017 | Additions | Depreciation/ Amortisation | Disposals | At 31 Mar 2018 |
|----------------------------------|-----------------|-----------|-------------------------------|-----------|-------------------|
| | £ | £ | £ | £ | £ |
| Fixtures, fittings, equipment | 8,800 | - | (5,812) | - | 2,988 |
| Website | 37,338 | - | (20,361) | - | 16,977 |
| | 46,138 | - | (26,173) | - | 19,965 |

| | At 1 April 2017 | Additions | Depreciation/ Amortisation | Disposals | At 31 Mar 2017 |
|----------------------------------|-----------------|-----------|-------------------------------|-----------|-------------------|
| | £ | £ | £ | £ | £ |
| Fixtures, fittings, equipment | 19,530 | 3,390 | (14,120) | - | 8,800 |
| Website | 57,699 | - | (20,361) | - | 37,338 |
| | 77,229 | 3,390 | (34,481) | - | 46,138 |

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



17) 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 2017 | New designations | Utilised/ released | At 31 Mar 2018 |
|-----------------------------|--------------------|---------------------|-----------------------|-------------------|
| | £ | £ | £ | £ |
| CORP Governance | 7,591 | 20,000 | (20,925) | 6,666 |
| Commissioning Support Group | 21,093 | - | (226) | 20,867 |
| Audit Methodology | 49,165 | - | (2,460) | 46,705 |
| Stability Fund | 700,000 | - | - | 700,000 |
| | 777,848 | 20,000 | (23,610) | 774,238 |

| | At 1 April 2016 | New designations | Utilised/ released | At 31 Mar 2017 |
|-----------------------------|--------------------|---------------------|-----------------------|-------------------|
| | £ | £ | £ | £ |
| CORP Governance | 16,861 | 20,000 | (29,270) | 7,591 |
| Commissioning Support Group | 27,682 | 30,000 | (36,589) | 21,093 |
| Audit Methodology | 6,665 | 50,000 | (7,500) | 49,165 |
| Stability Fund | - | 700,000 | - | 700,000 |
| | 51,208 | 800,000 | (73,360) | 777,848 |

Funds were set aside for CORP governance (Independent Advisory Groups supporting the Clinical Outcome Review Programmes); a Commissioning Support Group for NCAPOP, and the review of audit methodology. Unspent funds will be returned to the General Fund in 18/19. The Trustees also designated a Stability Fund, and its purpose is described in the Reserves Policy section of the Trustees' Annual Report.

18) ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | General Fund | Fixed assets Fund | Designated Funds | Restricted Funds | Total 2018 |
|---|------------------|-------------------|------------------|-------------------|--------------------|
| Fund balances at 31 March 2018 are represented by: | | | | | |
| Intangible fixed assets | - | 16,977 | - | - | 16,977 |
| Tangible fixed assets | - | 2,988 | - | - | 2,988 |
| Current assets | 1,829,102 | - | 777,302 | 21,756,207 | 24,362,612 |
| Current liabilities | (153,262) | - | (3,064) | (5,746,327) | (6,284,311) |
| Total Net Assets | 1,675,840 | 19,966 | 774,238 | 16,009,880 | 18,098,266 |

| | General Fund | Fixed assets Fund | Designated Funds | Restricted Funds | Total 2017 |
|---|--------------------|-------------------|------------------|-------------------|--------------------|
| Fund balances at 31 March 2017 are represented by: | | | | | |
| Intangible fixed assets | - | 37,338 | - | - | 37,338 |
| Tangible fixed assets | - | 8,800 | - | - | 8,800 |
| Current assets | (1,367,864) | - | 779,393 | 26,233,907 | 25,645,437 |
| Current liabilities | (1,439,264) | - | (1,545) | (4,915,440) | (6,356,230) |
| Total Net Assets | (2,807,128) | 46,138 | 777,848 | 21,318,467 | 19,335,346 |

19) CONTRACTUAL COMMITMENTS

At 31 March 2018 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 providers at the year end.



20) LEASING COMMITMENTS

At 31 March 2018 the charity had total commitments under non-cancellable leases falling due as follows:

| | 2018 | 2017 |
|--------------|--------|---------|
| Under 1 year | 67,706 | 176,964 |
| 2-5 years | - | 191,711 |
| | 67,706 | 368,675 |

21) PENSION COMMITMENTS

HQIP operates a money purchase pension scheme for most employees however two staff were eligible for Direction status and HQIP therefore contributed to the NHS Pension Scheme for these employees.

The NHS Pension Scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the 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 contributions 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:

www.nhsbsa.nhs.uk/Pensions?Valuations.aspx

Total pension costs in the period were **£87,018** (2017: £83,834) and **£16,142** (2017: £14,769) were payable at March 2018.

22) RELATED PARTY TRANSACTIONS

HQIP commissioned the Royal College of Nursing HR Department to provide advice concerning the charity's HR policies. The total cost was **£2,287** (2017: £5,700)

23) 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.



Measuring and improving our healthcare services

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