

General Optical Council  
Annual Report, Annual Fitness to Practise  
Report and Financial Statements for the  
Year Ended 31 March 2016



# General Optical Council

## Annual Report, Annual Fitness to Practise Report and Financial Statements for the Year Ended 31 March 2016

Registered as a charity by the Charity Commission in England and Wales (registered charity number 1150137)

Presented to Parliament pursuant to section 32A (2) of the Opticians Act 1989 as amended by schedule 2 paragraph 3 of the Health Care and Associated Professions (Miscellaneous Amendments) Order 2008

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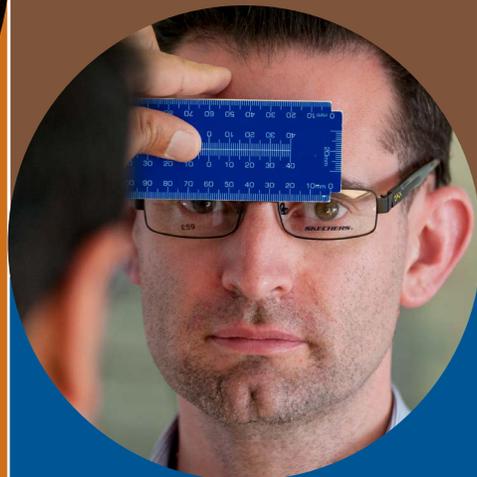
### April 2015

We joined the umbrella charity VISION 2020 UK, enhancing our collaboration with other organisations in the eye care sector.



### October 2015

We worked with the Trading Standards Institute to deliver a warning about cosmetic contact lenses, achieving national media coverage.



### July 2015

We approved our new Standards of Practice for Optometrists and Dispensing Opticians and separate Standards for Optical Students.



### May 2015

We published research showing levels of confidence in opticians among the public.



### October 2015

We held our first fitness to practise (FTP) hearing at our new office in Farringdon.



### **December 2015**

The vast majority of registrants (over 98 per cent) met their targets for the 2013-15 continuing education and training (CET) cycle.



### **January 2016**

As part of the annual retention process, all registrants had to confirm they would abide by our new standards of practice from 1 April 2016.

### **February 2016**

We published a new policy on raising concerns with the General Optical Council (GOC) i.e. whistle-blowing.



### **December 2015**

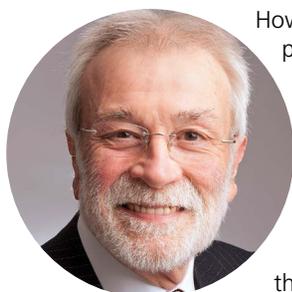
We completed our move to our new, more modern offices in Farringdon.



### **March 2016**

Optometrist David Parkins joined our Council, replacing Rob Hogan whose term finished on 31 December 2015.

# Message from the Chair



How does a regulator act to protect patients and the public?

To many people when asked that question they would immediately reply that it's there to strike people off its register. But while, of course, that is the most extreme of the arrows in our quiver, what we really strive to do is take steps

to help professionals avoid being subject to complaints in the first place.

A lot of this proactive work is in the standards and education area. Having made huge strides by introducing new standards of practice this year, our education strategic review will benefit patients by ensuring that the professions maximise their potential in the years to come.

The professions are changing, quickly. The twin effects of the NHS's need for our registrants to take on more of the work that is currently usually done by ophthalmologists, and the impact of disruptive technology, will change the face of optical practice over the next decade.

It is absolutely essential for patient safety that optical education equips people for the work they'll be doing in the future, not the work they would have done in the past. The review will look at both what is taught in undergraduate education, and how students are assessed.

The desire for legislative reform remains high on our agenda too. The Opticians Act 1989 is based on a model of eye care from the 1950s and is insufficiently flexible. At the same time, it mandates us to register undergraduate

students when there is no need to, does not enable us to regulate all businesses and burdens us with a FTP process that is more costly and less efficient than it ought to be.

We continue to engage with the government, our fellow regulators and other stakeholders to push for reform. All of this will help facilitate the professions moving forward in the future to deliver the best possible care for patients.

It has been a big year for us as an organisation too, moving into modern new offices in Farringdon. Our previous office in Harley Street was no longer fit for purpose and, although many in the professions will have fond memories of it as a building, our new office stands us in much better stead.

But while the new office is a good start, to be a truly modern organisation we will need to be free from some of the outdated legislation that threatens to hold back both the GOC and the optical professions as a whole from delivering the best possible care for patients. We will continue to push for this much-needed reform.

A handwritten signature in black ink, appearing to read 'Gareth Hadley'.

Gareth Hadley  
Chair of the GOC

# Chief Executive and Registrar's report



It's been a year of major milestones for the GOC.

Foremost has been the introduction of our new standards of practice on 1 April 2016. These were the result of probably the largest consultation in our history: thousands of stakeholders engaged with us to create a modern and forward-looking set of standards.

The new standards will ensure registrants practise safely and effectively now and in the future, as well as enabling them to develop their roles in response to wider social changes and substantial technological developments in optics. And for the first time, students have their own separate standards, recognising that they are learning and developing as professionals.

Another milestone reached this year was the end of our first cycle of 'enhanced' CET. This has been a tremendous success. Registrants have actively embraced the scheme. Despite new requirements for interactive learning, we have never removed fewer registrants at the end of a cycle. The feedback has been really positive, particularly for peer review. Initially the cause of much trepidation, this is now an accepted and valued way of learning.

The year has not been without its challenges.

In 2014/15 we failed three of the Professional Standards Authority for Health and Social Care (PSA)'s 24 Standards of Good Regulation. So this year we have been working hard to develop our processes in FTP, registration and information governance ahead of our review, which takes place in autumn this year.

More broadly, our programme of regulatory reform – to enhance public protection – has continued in tandem with the modernisation of our own infrastructure and ways of working.

As part of this improvement activity we are proactively seeking to deal with complaints about registrants faster. I am pleased to report a significant advance in our median 'end-to-end' time for dealing with cases, from 104 weeks to 82. Our goal to handle the majority of these within 52 weeks remains, but I am proud to report that our efforts in this area are clearly paying off.

As a regulator, we do not expect to stand still any more than we expect the professionals we regulate to do so. We cannot expect them to change and improve, with an open mind, if we are not prepared to do so ourselves.

For that reason, we are glad to report on the substantial changes we have made this year, and signal our commitment to continued innovation and improvement to future patient safety in the year ahead.

Samantha Peters  
Chief Executive and Registrar

# How We Deliver Public Benefit



## Introduction

The trustees present their report on the activities we have undertaken over 2015/16 to fulfil our statutory role and charitable purpose, and financial statements for the year ended 31 March 2016. In preparing this report, the trustees have complied with the Charities Act 2011 and applicable accounting standards. The statements are in the format required by the Charities Statement of Recommended Practice (SORP) FRS 102. We have complied with the guidance of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities we undertake.

We are the regulator for the optical professions in the UK. As of 31 March 2016, there were 29,136 optometrists, dispensing opticians, student opticians and optical businesses on our register, who are known as our 'registrants'. Our charitable purpose and statutory role is to protect and promote the health and safety of members of the public by promoting high standards of professional education, conduct and performance among optometrists and dispensing opticians and those training to be optometrists and dispensing opticians.

We have four core functions, all of which are directed toward public benefit:

- Setting standards for optical education and training, performance and conduct;
- Approving qualifications leading to registration;
- Maintaining a register of individuals who are qualified and fit to practise, train or carry on business as optometrists and dispensing opticians; and

- Investigating and acting where registrants' fitness to practise, train or carry on business is impaired.

Most of our income comes from registrant fees, which is used to further our charitable purpose. **Table one** sets out the annual fees which registrants are required to pay for entry or retention on our register. In 2015/16, we implemented a small increase, with the fees for students frozen at £25. While recognising the impact this has on our registrants, the increase was required to ensure that we have sufficient resources and to ensure that we continue to hold appropriate reserve levels.

**Table one: annual registrant fee**

Fee levels	2015/16	2014/15	2013/14
Optometrists	£310	£290	£260
Dispensing opticians	£310	£290	£260
Corporate bodies	£310	£290	£260
Students	£25	£25	£20
Low income fee	£210	£190	£160

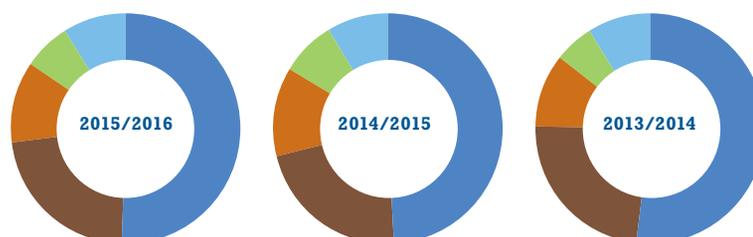
**Table two** shows a breakdown of registrants across the UK measured on 31 March 2016 and compares this with the previous two reporting years. We report separately on the diversity of our registrants and registrants subject to FTP investigations, which is available on our website: [www.optical.org/en/news\\_publications/Publications/equality-and-diversity-reports.cfm](http://www.optical.org/en/news_publications/Publications/equality-and-diversity-reports.cfm)

**Table two: total number of registrants in each GOC category**

	2015/16	%	2014/15	%	2013/14	%
Optometrist	14,776	51%	14,354	49%	13,969	52%
Dispensing optician	6,541	22%	6,430	22%	6,280	23%
Student optometrist	3,341	11%	3,614	12%	2,736	10%
Student dispensing optician	1,933	7%	2,289	8%	1,461	6%
Business registrant	2,545	9%	2,475	9%	2,365	9%
<b>TOTAL</b>	<b>29,136</b>		<b>29,162</b>		<b>26,811</b>	

### Registrant categories

- Optometrist
- Dispensing optician
- Student optometrist
- Student dispensing optician
- Business registrant





## Our strategy and performance

Our strategic plan 2014–17 ([www.optical.org/en/about\\_us/strategic\\_plan/index.cfm](http://www.optical.org/en/about_us/strategic_plan/index.cfm)) forms the focus of our work in delivering public benefit. Our objectives are summarised in **Figure one** below.

**Figure one: summary of strategic objectives**



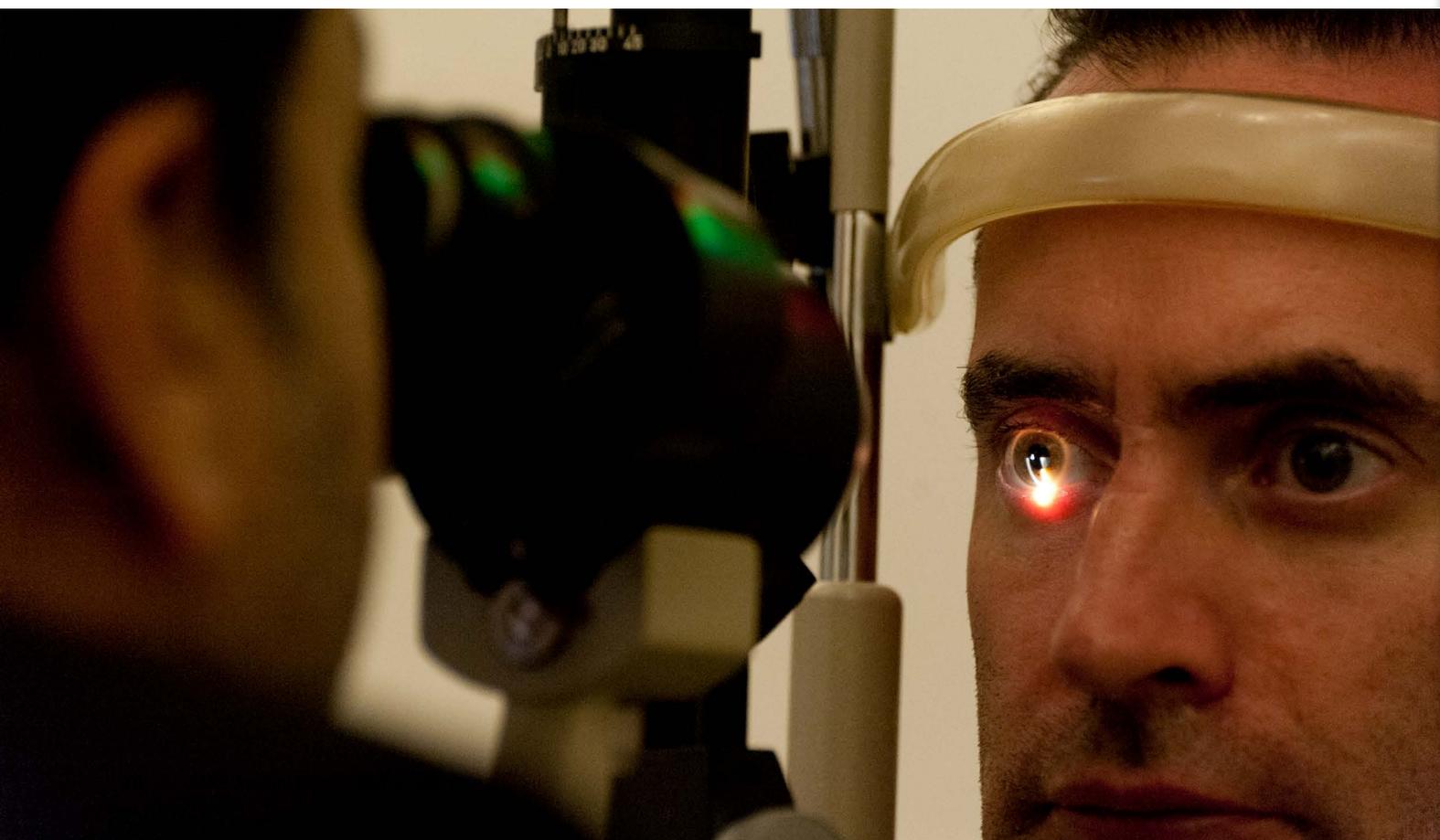
### Performance against our strategic objectives

Our key priorities for the year included:

- a review of our standards of competence, conduct and performance;
- revising our approach toward handling FTP complaints;
- managing the end of a CET cycle and the transition to a new cycle;
- relocation of our office;
- developing our internal planning, performance and governance processes; and
- growing our evidence base and being more informed.

Overall we delivered a tremendous amount of change and made significant progress with these key priorities. Our progress has been limited by the following challenges:

- improving our handling of FTP and illegal practice complaints while managing a higher level of complaints;
- improving our information governance processes and embedding a compliance culture;
- developing our infrastructure to ensure we are able to be effective and efficient in the delivery of our responsibilities;
- identification of new issues which need addressing urgently (that were not planned into our business plan); and
- ensuring the organisation is able to keep up with our extensive change management programme.





### How we are promoting higher standards across the optical professions

We set standards of practice for our registrants, which includes optometrists, dispensing opticians, optical students and optical businesses, who have a duty to maintain a good standard of practice and care and show respect to all people. Our registrants must use their professional judgement to apply the standards in their personal and professional conduct at all times to maintain the health, safety and wellbeing of patients. This year we published a framework for our standards for individuals which clearly outlines our role in setting and assuring standards and how this relates to the roles of other optical organisations who may produce guidance. In developing the framework, we actively engaged with the professions and the public, taking into account current and likely future developments both within the optical and healthcare regulatory sector.

We published new Standards of Practice for Optometrists and Dispensing Opticians, which reflect good practice, address the risks to the public and are flexible enough to allow the delivery of optical care to evolve, putting particular emphasis on the need for registrants to exercise their own professional judgement in practice. In addition, we published separate Standards for Optical Students which clearly outline the standards expected during the study of optometry and dispensing optics. We have also focussed on supporting the effective implementation of these standards and have identified areas in which further supplemental guidance to the standards, including on candour and consent, is necessary. We made amendments to our Code of Conduct for business registrants, to reference the new standards of practice for individuals and emphasise the expectation that business registrants support individuals in meeting the new standards.

Through our system of accrediting and quality-assuring optical education, training and qualifications, we set standards that ensure those who register with us are competent to do so. This year we conducted seven accreditation visits to new programmes, 13 quality assurance visits to existing programmes and initiated a review of our accreditation and quality assurance processes to ensure they remain fit for purpose.

Once qualified, it is essential that all registrants keep their skills up to date, including taking account of changes in optical practice, in order to maintain the health, safety and wellbeing of patients. CET provides the lifelong learning that will help keep knowledge and skills up to date and support registrants to practise safely and effectively throughout their careers. This year we concluded our three-year CET cycle on 31 December 2015 with 98 per cent of all registrants completing all requirements to demonstrate competence. We feel this is testament to the way in which the profession has embraced the process. Registrants who failed to meet their CET requirements were identified and removed from our register. We have assessed our CET process and have

made changes to help registrants reflect on their own work and set meaningful learning objectives, as well as understand the new standards of practice. We have also improved our processes governing the provision of CET activities.

### How we are increasing trust and awareness

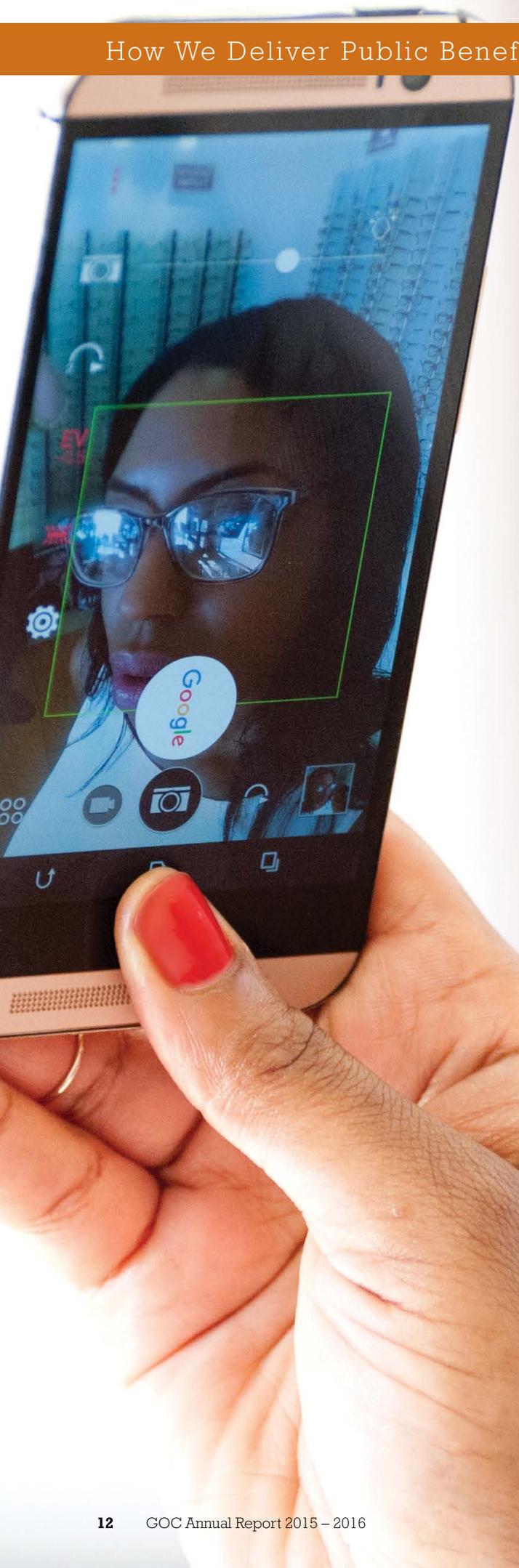
It is important that patients are able to make informed decisions about their optical care and raise any concerns with us easily. We do this by ensuring our public registers of all optometrists, dispensing opticians, optical students and optical businesses remain accurate and accessible. This year we strengthened our processes for maintaining the integrity of our registers, including the process for applications for registration from practitioners from outside the European Economic Area.

We undertake activities to maintain public trust and confidence in the profession, which includes protecting the public from unregistered persons who are not bound by our standards, as well as dishonest individuals who mislead patients as to their registration status. This year we have continued to implement our strategy toward tackling illegal practice in the optical sector by working with a range of our stakeholders to develop and consult on a voluntary code of practice for online contact lens supply. We also worked with our stakeholder groups to develop our approach to improving public awareness of how to purchase and wear contact lenses safely and worked collaboratively with the Trading Standards Institute to raise awareness of the dangers of zero-powered contact lenses (ZPLs) (also known as cosmetic or fashion contact lenses), which attracted widespread coverage across a range of national and professional media.

By being more accessible to the public and other stakeholders and promoting a clear understanding of our role, we are more likely to become aware of concerns and able to protect the public. This year we have enhanced our engagement with all those that have a stake in our work which has developed our understanding of the risks to the health, safety and wellbeing of patients and the wider public.

In accordance with our statutory responsibilities, it is vital that we keep the information we hold on registrants and complainants secure. This year we have improved our approach to information governance to improve our collective knowledge and strengthen our culture in relation to handling data. During the year, there were three data breaches reported to the Information Commissioner's Office (ICO). Even though there has been no further action from the ICO to date, we are committed to improve compliance in this area.

## How We Deliver Public Benefit



### How we are improving complaints handling

In order to protect the public, we investigate allegations that any of our registrants may not be fit to practise quickly and effectively, taking action against those who fail to meet our standards of practice. This year we continued to take quick action in cases that present the most serious patient safety risk and have maintained the time it takes us to impose an interim order (IO) at three weeks. Our independent audit of case decisions has provided a good level of confidence in the integrity and quality of our decisions. We have improved the speed with which we deal with concerns, with the median time taken being 82 weeks (compared with 104 weeks in 2014/15). We are pleased with this progress, but remain committed to delivering our complaints strategy which aims to deliver long-term, sustainable improvements to our FTP and illegal practice complaint-handling processes. We consulted publicly on changes to our hearings and indicative sanctions guidance, to ensure that our decision makers are supported in making decisions that protect the public and are fair to registrants. Further information on our FTP work is included in section two of this report.

We are fully committed to supporting and encouraging those working in the optical sector to raise with their employer concerns relating to criminal wrongdoing or malpractice, and when that is not an option or if the response is not sufficient, to raise those concerns with us. This year we consulted on and subsequently published our 'Raising Concerns with the GOC' policy to provide further guidance to those working in the optical sector about how to report public interest concerns. We know that this is an area of significant importance, particularly in the healthcare sector, and we recognise how difficult reporting such whistle-blowing concerns can be.

In order to ensure patient concerns are dealt with by the appropriate body, we work effectively with others to share information about concerns. This year we have established new working arrangement with NHS England to develop an internal protocol governing the sharing of information. We have continued to work with the Optical Consumer Complaints Service (OCCS) in the handling of optical consumer complaints. The OCCS received 969 enquiries – an increase from 622 enquiries (55.8 per cent) in 2014/15 – reaching a resolution in over 98 per cent of cases, the same percentage as in 2014/15. More information about the work of the OCCS during 2015/16 is contained in their annual report, which is available from their website at [www.opticalcomplaints.co.uk/](http://www.opticalcomplaints.co.uk/)

As part of our work to protect the public from unregistered persons, we revised our illegal practice protocol to clarify our approach to handling illegal practice complaints on a risk-based approach, targeting our resources at those cases that provide the greatest risk of harm to the public. We opened 59 cases and closed 29, with 267 cases open at the end of the year, mostly related to ZPL complaints.



During the year, we have improved our corporate complaints process so that we can monitor trends easily, identify and implement lessons learnt and be clearer and more transparent in our responses. We have received positive feedback from a number of complainants on our new approach. In total, we investigated and responded to 23 corporate complaints. We are grateful to those who raise their concerns with us, as it helps us identify learning which we use to inform future policies and practice.

### How we are delivering high-quality services to the public and the professions

We place great importance on being open and responsive in our dealings with registrants and the public. We believe it is important that the people affected by our work have a say in how we operate and that it is vital that patients and the public have a strong input into our work. We are pleased about the extent to which stakeholders engaged with our public consultations<sup>1</sup> on:

- a draft voluntary code of practice for the online supply of contact lenses;
- revised guidance on hearings and indicative sanctions; and
- the 'Raising Concerns with the GOC' policy.

In addition to public consultation, we spoke and exhibited at conferences which enabled us to connect with people and organisations with whom we work. We visited universities with a roadshow for first year students on GOC-approved courses, helping them to understand our role, answer any questions and process their registration applications.

This year we have continued working toward greater use of online services to receive and handle complaints and maintaining our register by running our retention cycles online. We understand how important it is for our registration process to be accessible, user-friendly and carried out in a timely manner. In order to improve these processes, we have initiated an internal review of all public-facing registration documentation to ensure they are accessible and informative.

We recognise that our registrants, patients and the public can only fully engage with us if we are clear, open and transparent. This year we have focused on ensuring that all new guidance, policy and processes are accessible and clear, in line with plain English standards. We published new policies on CET exceptional circumstances and the CET removals process, to ensure that we are being clear to those registrants who had not met the CET requirements about how they could challenge a decision to be removed from the register. Of the 424 registrants who did not meet their CET requirements, 132 opted to use one or both of these policies.

To further our transparency, we publish papers and minutes of Council meetings held in open session, the register of interests for Council and committee members and a register

of gifts and hospitality. During the year we received 148 freedom of information requests (27 in 2014/15), of which 122 (82 per cent) were related to the breach of registrants' data which occurred during 2015. We completed 145 (98 per cent) of requests within the statutory timeframe, of which four were withdrawn. Three requests were outside of statutory timeframe; two were register requests that were delayed whilst investigating a data breach, and for the third, a substantive response was sent within the timeframe (information available by other means) but the final response was sent one day after the deadline. During 2015/16 we received 52 subject-access requests made under the Data Protection Act 1998 (70 in 2014/15) and responded to them all (100 per cent) within the statutory timeframe.

### How we are implementing a targeted and proportionate system of regulation

We recognise the importance of having an effective system of regulation to ensure we can protect and promote public health and safety. The basis on which we regulate is set out in the Opticians Act 1989, which we believe requires updating in order to allow us to introduce a new, more relevant and proportionate model of regulation for the optical sector and to better protect patients and the public. In order to make the changes to our legislation, and to introduce greater efficiencies to our FTP process, we require Parliament to revise the Opticians Act 1989.

Over the past year we have continued to engage with the government and the devolved administrations to develop proposals for the future of professional regulation, including revisions to the Opticians Act, to ensure that legislation will support continued public protection against the backdrop of an optical sector that is changing rapidly. In particular, we consider that the provisions of the act which require us to register undergraduate students are no longer necessary and we have previously identified that the current approach to business regulation is not fit for purpose.

We have also engaged with the Department of Health, Department for Business, Innovation and Skills, and the other healthcare regulators through our membership of the Alliance of UK Health Regulators on Europe, to implement the revised European Union (EU) directive on the recognition of professional qualifications. The main provision that we have implemented is an alert mechanism, where we issue an alert (via an electronic database shared by all member states) in cases where a professional's practice has been restricted or prohibited.

### How we are improving our evidence base

Our role in protecting and promoting the public's health and safety means that we must ensure our work is informed by an understanding of the public's perspective and our decisions are based on sound evidence. This year we commissioned our second public perceptions research project to understand the public's views on the optical professions and their expectations of us as a regulator.



The research will consider the views and experiences of 3,000 members of the public (patients and non-patients). It will enable us to put ourselves in the public's shoes, to understand their experience of going to the opticians and understand why some may be deterred from seeing an optician. When published the research will include comparison with the findings from our 2014 public perceptions survey and allow us to better understand, amongst other things, the experience of patients if something goes wrong when receiving optical services. We will use this research to inform the future development of our standards and guidance and to identify any areas where we consider there may be room for improvement in optical practice.

We also commissioned and published consumer research to help us to understand more about the behaviour of consumers who wear contact lenses, including those who buy online. The findings are important in allowing us to further understand the implications for our proposed guidance for the public on safe purchase and wear of contact lenses, including the responsibilities of our registrants in providing contact lens specifications and aftercare advice.

We also need to ensure that our policy thinking and strategy development are informed by an understanding of how health regulation and optical care is changing. This year we made good progress in gaining evidence from both the public and the profession, alongside other optical stakeholders. We have a rolling programme of dedicated research, designed to gain the views of registrants, patients, the public and stakeholders, to inform our policy development and to measure our performance. In addition, we produced our annual optical sector report, highlighting developments and trends in the optical sector, to help us understand the main developments that have occurred and the regulatory implications.

Carrying out impact assessments as part of our policy development work is an important way of ensuring that our policy proposals are informed by sound evidence. During the year we developed an impact assessment tool to ensure that privacy, equality and human rights impacts are considered alongside regulatory impacts.

As part of our stakeholder engagement strategy, we increased our engagement across all four nations of the UK and with groups representing patients and the public. We engaged extensively in the devolved nations, particularly around the strategic standards review and also attended joint regulators' receptions in each of the devolved legislatures. We engaged patients and the public in the strategic standards review with a series of focus groups, and also conducted research into their perceptions of our registrants.

### How we are achieving organisational change

We are clear that we need to change and improve, with an open mind, in order to be able to continue to protect the public and regulate the optical professions effectively. We are open to new ways of working and do not assume that regulating the optical professions by carrying out our functions in the traditional way automatically leads to the best outcomes for the public. This year we have placed more emphasis on the benefits of cross-organisation working to solve problems, deliver projects and identify learning, and on developing our approach to evaluating and reporting on our performance and outcomes.

We achieved a key part of our plan to become a modern and sustainable regulator when we moved offices to a modern and open working environment in December 2015. The move is already having a positive impact on our working culture. We took care to ensure that our commitment to sustainability and reducing our carbon footprint has been reflected in the design of the new office and the arrangements put in place to encourage employees to reduce, reuse and recycle. By changing behaviours, we are developing more efficient practices and considering the wider sustainability agenda.

We understand the importance of ensuring that our employees and members have the support and training they need to carry out their roles effectively, and offering opportunities for them to develop and grow. This year we have made improvements to the training and development opportunities for employees, including the introduction of management training for newly appointed managers and a mentoring scheme. We have also introduced e-learning for a number of core areas, delivered unconscious bias in recruitment training to some employees and members and improved the induction and training available to our members.

In order to ensure that we have an engaged and positive workforce, we have continued to manage our internal communications, including the introduction of an employee engagement group and a quarterly member focus update to ensure all members are engaged with our work. We have run two employee surveys to help us measure employee engagement, gain insight into their views and help to improve organisational performance. We have continued to give employees the opportunity to contribute their views through 'Eye 2 Eye' focus groups after each quarterly all-staff meeting and each staff survey. Our staff surveys showed that the score for how well we communicate internally is above the CIPD benchmark.

We are pleased that our employee turnover level has reduced to 21 per cent from 36 per cent last year, and believe that all our work to change and improve has contributed to this reduction.

## How We Deliver Public Benefit



In order to ensure our finances are stable and well managed, we have strengthened the links between our budgeting and business planning processes and enhanced our financial reporting, budgeting, modelling and forecasting.

We are committed to ensuring equality, diversity and inclusion (EDI)<sup>2</sup> are understood, embedded and promoted within our organisation. We are pleased that this year we have achieved a number of key outcomes including:

- working with a translation and interpretation provider, Thebigword, to make us more accessible to the public;
- providing unconscious bias and EDI training to employees and members (we believe this will contribute to fairer recruitment and a more diverse member representation as well as continuing to shape our culture and embed EDI values);
- improving the quality of our impact assessments and understanding of our employees (actions identified from the impact assessments are being included in our EDI action plan, and completed within the set timeframe);
- developing our approach to EDI monitoring, which sets out how we collect and process EDI information, and the formats in which we publish it; and
- establishing a secure online data capture provider for collation of registrant EDI data to enable us to better monitor the fairness of our policies and processes.

In conducting our public business in Wales, we treat the Welsh and English languages on the basis of equality. Our Welsh language scheme identifies how we administer this principle. We view bilingual provision as an important aspect of service quality rather than solely as a legal requirement. We published our new standards in Welsh and signed up with Thebigword as noted above. We have also engaged with the Welsh Language Commissioner around their forthcoming Welsh Language Standards.

Further information on our EDI<sup>3</sup> activities can be found in our annual equality and diversity monitoring report, which sets out our progress in embedding EDI across all aspects of our work and planned actions, as well as diversity monitoring information.

### How we measure our performance

We have a performance framework which enables us to draw on a range of sources of information and analysis in order to assess our performance. We are developing our approach to performance measurement and are keen to ensure that we measure the quality of our work and outcomes in terms of delivering public benefit, as well as pursue stretching and meaningful performance targets.

On a quarterly basis we monitor our performance in the delivery of our business plan and use a range of key performance indicators to assure the delivery of our regulatory responsibilities and progress towards achieving our strategic objectives. Our performance reports are published on our website and we welcome the public to our quarterly Council meetings to hear the discussion.

**Figure three** identifies our performance in 2015/16 compared to the prior year. We are pleased with the considerable progress in performance in a number of areas, but remain committed to achieving the challenging targets we have set ourselves in other areas.

### How our performance is measured externally

Like all other UK healthcare regulators, our performance is assessed externally by the PSA. The assessment focusses on whether we have met the PSA Standards of Good Regulation, which describe the outcomes the PSA expects to achieve for the following regulatory functions:

- Guidance and standards;
- Education and training;
- Registration; and
- FTP.

The most recent PSA performance review in 2014/15 assessed us as having met 21 of their 24 Standards of Good Regulation, including all of those for standards and for education<sup>4</sup>. After not meeting three of the standards for the first time in two years, we undertook a learning review of these areas to ensure that we are in a position to improve our performance and set in place a firm action plan in relation to the time taken to progress FTP cases, information governance and information on the register.

The PSA will be conducting their annual review of our performance in autumn 2016. We are hopeful that their review will confirm the significant progress we have made in speeding up our investigation of FTP complaints, improving our information governance processes and ensuring our register is accurate.

<sup>1</sup> Details of these consultations are available via our website: [www.optical.org/en/get-involved/consultations/past-consultations.cfm](http://www.optical.org/en/get-involved/consultations/past-consultations.cfm)

<sup>2</sup> [www.optical.org/en/news\\_publications/Publications/equality-and-diversity-reports.cfm](http://www.optical.org/en/news_publications/Publications/equality-and-diversity-reports.cfm)

<sup>3</sup> [www.optical.org/en/news\\_publications/Publications/equality-and-diversity-reports.cfm](http://www.optical.org/en/news_publications/Publications/equality-and-diversity-reports.cfm)

<sup>4</sup> The PSA's annual review of our performance for 2014/15 was published on 25 June 2015 and can be found on their website at [www.professionalstandards.org.uk](http://www.professionalstandards.org.uk)



Figure three: Performance in 2015/16

Key indicator	Target	15/16	14/15	% Trend on year	Variance from target
<b>Fitness to Practise</b>					
Number of complaints received	n/a	343	388	-11%	
Number of new cases opened	n/a	223	279	-20%	
Time taken from receipt of information indicating the need for an IO to an IO decision	4 weeks	3	3	-	1 week
Time taken from receipt of complaint to IO decision (*change in calculation)	26 weeks	17*	17	11%	9 weeks
Time taken from receipt of complaint to final FTP decision	78 weeks	82	104	22%	4 weeks
Percentage of cases where FTP decision is made within 52/78/104 weeks	52 = 20%	17%	7%	10%	3%
	78 = 80%	45%	33%	12%	35%
	104 = 98%	83%	67%	16%	15%
Percentage of initial stages cases closed within 26 weeks	70%	20%	46%	-26%	50%
Number of open FTP cases	n/a	229	261	-12%	n/a
Number of FTP cases considered	n/a	30	28	0	n/a
Number of preliminary* cases considered	n/a	335	210	60%	n/a
Number of registrants subject to FTP investigation	n/a	223	279	20%	n/a
Number of illegal practice cases open	n/a	267	228	15%	n/a
<b>Education and Standards</b>					
Percentage of registrants meeting CET and peer review requirement	99%	98%	97%	1%	1%
Number of visits	n/a	20	13	53%	n/a
<b>Registration</b>					
Total number of registrants	n/a	29,136	29,162	-0.1%	n/a
Percentage of applications processed within set target	80%	80%	79%	1%	0%
<b>Finance</b>					
Total income (£000)	n/a	7,500	6,800	9%	n/a
Total budgeted income (£000)	n/a	7,800	6,800	13%	n/a
Variance of income from budget	within 5%	4%	0%	4%	1%
Total expenditure (£000)	n/a	7,100	6,100	14%	n/a
Total budgeted expenditure (£000)	n/a	7,700	6,600	14%	n/a
Variance of expenditure from budget	within 5%	8%	8%	0%	3%
<b>Human Resources</b>					
Turnover (comparator)	10%	21%	36%	15%	11%

\* Case examiner / investigation committee

## How We Deliver Public Benefit

### Our plans for 2016/17

Our business plan for 2016/17 ([www.optical.org/en/about\\_us/strategic\\_plan/index.cfm](http://www.optical.org/en/about_us/strategic_plan/index.cfm)) identifies how we will work towards our strategic objectives during the final year covered by our strategic plan.

As well as maintaining our programme work, the following projects will be our main focus during 2016/17:

Project	Objectives
<b>Education strategic review</b>	We will review the system of optical education, training and qualifications to ensure that it produces registrants who are well-equipped to perform the roles that will be required of them in the future. Over 2016/17, we anticipate undertaking an initial scope of the review and initial evidence gathering.
<b>Complaints strategy</b>	We will focus on implementing the recommendations identified in our complaints review. We will also start to evaluate the effectiveness and the impact of the changes we have made to our complaints processes.
<b>Standards strategic review</b>	We will focus on the development of guidance on candour and consent for registrants to support the implementation of the new standards.
<b>Customer relationship management (CRM) system</b>	We aim to realise the benefits of our CRM system and further develop our IT infrastructure.
<b>Legislative reform</b>	We will be working in collaboration with other UK healthcare regulators and with the government to press the case for legislative reform.
<b>Illegal practice strategy</b>	We will continue our work with stakeholders to promote public awareness of how to buy and wear contact lenses safely.
<b>Quality assurance framework</b>	We will be starting work on developing an organisation-wide quality assurance framework. We want this framework to help us in improving the effectiveness and efficiency of our ways of working across the organisation.
<b>Assessment of non-UK registration applications</b>	We will review how we assess whether applicants from within and outside the European Economic Area have the appropriate qualifications and experience to be registered in the UK, and ensure that we have robust registration processes for these categories of applicants.



## Our risks

Our approach to risk management is set out in our risk management policy. Both Council and the audit and risk committee discuss and review the principle risks and uncertainties regularly throughout the year. The Senior Management Team (key management) (SMT) also regularly monitors existing corporate and emerging risks and mitigating actions. We capture and monitor operational risks through directorate and departmental risk registers.

We continue to maintain robust systems and procedures to mitigate the risk of failure to deliver our statutory functions, which are at the heart of protecting the public. This includes, for example, attention to the areas where individuals:

- seek to fraudulently gain access to the register;
- provide misleading information in an FTP case; or
- do not comply with the requirements of our standards for CET.

Horizon scanning and being alert to emerging operational and strategic risks are part of ongoing business oversight by the SMT and trustees are also responsible for monitoring risks.

Our key strategic risks come from the external environment, which means we have limited control of the actions that may need to be taken. We continue to monitor and discuss:

- the impact of potential changes in European legislation;
- legislative reform proposals in the UK;
- the implementation of the Welsh Language Standards Regulations 2015;
- the impact of elections in Scotland, Wales and Northern Ireland and the potential implications for healthcare regulations;
- uncertainty over whether we will leave or remain in the EU.

### Social risks

We recognise that consumer behaviours and patterns are changing. We consider that consumer spending on optical goods is likely to increase over the next few years, with the number of people buying contact lenses online likely to increase. There is an associated risk that this will lead to more people buying contact lens from suppliers outside of the UK: non-UK suppliers are outside of the GOC's jurisdiction (and therefore may not comply with UK law). To manage this, we view the development of our illegal practice strategy, including producing consumer guidance, as being a significant opportunity to ensure the public continue to be protected against this changing backdrop.

### Technological risks

In terms of developments within the sector, technological innovation is likely to challenge the boundaries of existing scopes of practice and will have an impact on the types of services provided by optical businesses. As the regulator we need to be aware of any changes that might have implications for public protection.

### Education risks

We see that the optical education sector continues to change, not only in terms of the increasing number of academic providers, but increasing diversity in the ways in which optical education is being delivered. This poses challenges for us, to ensure that we can continue to carry out the effective accreditation and quality assurance of providers and ensure that our own educational standards are being met by providers.

To manage this risk, we commenced a review of the ways in which we accredit and quality-assure optical education providers in 2015/16 and will, in 2016/17, commence our education strategic review, which will look at how we can ensure that the system of optical education delivers professionals who are equipped to carry out the role of the future.



## Our people

Our people are central to us achieving our charitable purpose and strategic objectives. This section sets out our organisational values – which determine how we undertake our work – and the ways in which our employees and members demonstrate those values.

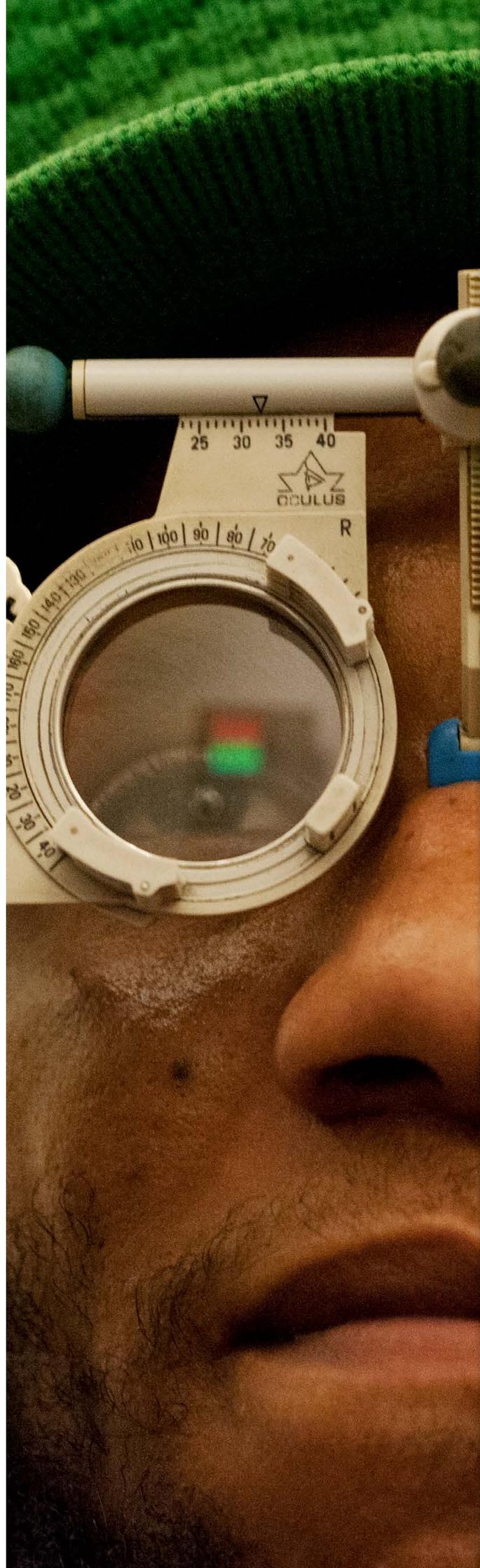
### Our people review

2015/16 has been a significant year for the organisation. We moved to our new premises in December 2015. Working on a single floor in a more modern environment has made a positive difference in how we work and how we collaborate, including ensuring the majority of FTP hearings are heard at our office. Our most recent employee survey, capturing feedback in early 2016, pointed to a considerable increase in satisfaction in our working environment, with 92 per cent agreement with the statement: *'The office layout enables me to meet with colleagues in other teams'*, compared with 14 per cent agreement before the move.

We have adopted an evidence-based approach toward measuring employee morale and engagement via our employee survey, where our current employee engagement score performs well against external benchmarks. We have focused on fostering employee engagement, including the formation of an employee engagement group, which will have a significant role in shaping our actions in response to learning from our rolling cycle of employee surveys.

We have sourced mandatory e-learning on a number of core areas for employees and members, delivered unconscious bias in recruitment training and improved the induction and development opportunities available to members. To complement our approach to learning and development, we have looked at ways of furthering potential career pathways within the organisation. For example, we undertook a restructure of the FTP directorate, which was in part designed to introduce these career paths and which saw a number of employees promoted internally in 2015/16.

The health and safety of those that work for us is of paramount importance. We are pleased to report that we had no health and safety incidents reported to us during the year.



## How We Deliver Public Benefit

### Our values

We have three core organisational values that inform all of our work: how we work within the organisation and how we work with registrants and stakeholders. We are:

- Responsible;
- Forward thinking; and
- Principled.

More details on our organisational values are available on our website:

[www.optical.org/en/about\\_us/mission\\_and\\_values/index.cfm](http://www.optical.org/en/about_us/mission_and_values/index.cfm)

Set out below are some of the ways in which our people have demonstrated our values over the last year.

Responsible	Forward thinking	Principled
We have undertaken research and produced our annual optical sector report, both of which are available to view on our website. We are working hard to understand stakeholder priorities and the wider optical sector landscape. This work helps us to make better informed decisions and enables us to plan where we target our work in the future.	We cannot deal with illegal practice solely by bringing prosecutions and have worked with stakeholders to develop a broader approach. In particular, exploring how we can raise public awareness of the risks that can result from buying contact lenses online and encourage the public to use suppliers that follow good practice, so they receive good advice and aftercare wherever they buy their lenses.	To ensure we listen openly, act responsively and communicate honestly with employees, we introduced surveys to capture information on how employees feel. We formed an employee engagement group, developed by and led by staff. The group has taken an important role in shaping our action plan in response to some of the key learning points from the employee survey, which is vital in ensuring staff ownership of, and engagement with, our ongoing development as an organisation.
We are developing our performance reporting processes to ensure that we are accounting for our actions and open to scrutiny.	Our office move has moved us toward a more progressive and collaborative style of working, through an open-plan layout and an emphasis on cross-organisational working.	We have progressed our EDI work to ensure we behave consistently and fairly to everyone. This has included the introduction of mandatory training in this area for new and existing members of staff.
We continue to support closer integration between our business planning and budgeting processes. Our work in this area is invaluable in ensuring we apply resources in the right way.	We have developed our approach to investigating and responding to corporate complaints to ensure we are able to learn and continuously improve.	We have developed guidance to those working in the optical sector to support them in raising concerns about patient safety, and are developing a revised approach to enable and encourage employees and members to raise concerns.

***Council would like to thank all those working for us for their support and endeavour during 2015/16.***



## Our structure, governance and management

Our legislation and our governance regulations  
We are constituted as a body corporate under the Opticians Act 1989, as updated by amending legislation which came into effect on 30 June 2005. We are also registered as a charity by the Charity Commission in England and Wales (registered charity number 1150137).

As a body corporate, we are accountable to Parliament through the Privy Council. As a registered charity, we are accountable both to the Charity Commission and to our beneficiaries. We aim to satisfy our accountabilities through increased transparency in the work we undertake and how our work delivers public benefit, including through this annual report.

### Our Council

Our Council is the governing body of the GOC and Council members are the charity trustees. They are collectively responsible for directing the affairs of the GOC, ensuring that it is solvent, well-run, and delivers public benefit. All Council members share the same duty of public protection and oversee the full range of regulatory processes.

Under the Opticians Act 1989, the primary functions of Council are:

- **Policy and strategic direction.** Providing strategic direction and making decisions in the interests of public protection. This year Council defined policy on standards of practice and indicative sanctions guidance;
- **Performance monitoring.** Ensuring our statutory functions are delivered effectively and efficiently by holding the Executive to account, monitoring performance and ensuring an equality of opportunity, accountability, openness and transparency;
- **Financial stewardship.** Oversight of financial performance and providing active financial stewardship to further the organisation's purposes and achieve value for money; and
- **Accountability, communication, and stakeholder engagement.** Providing accountability to Parliament and the PSA by publishing an annual report, ensuring effective communication with the public, registrants, professional bodies, the government, and other interested parties and promoting public confidence in regulation.

Our Council is comprised of twelve members, of whom six are registrants and six are lay members (see page 36). Members are drawn from England, Wales, Scotland and Northern Ireland. Biographies can be viewed on our website. One Council member is appointed as a Senior Council Member (SCM) to carry out the Chair's appraisal, provide a sounding board for the Chair and serve as an intermediary for Council members, the Executive and stakeholders as necessary. Brian Coulter fulfilled this role throughout 2015/16.

In 2015/16, Rob Hogan concluded his second term of office and, in line with our legislation, was not eligible for reappointment. Council expresses its gratitude to Rob for the service he has provided over the last eight years. We were delighted to confirm the appointment of David Parkins as Rob's successor; David commenced his first term of office on 15 March 2016.

All Council members are appointed by the Privy Council. We are responsible for managing the process of appointment and reappointment in line with the requirements of our constitution. Prior to appointment by the Privy Council, the PSA assesses whether the process we have used in recommending the appointment has met the principles of merit, fairness, transparency, openness and credibility. In the appointment of Council and committee members, we aim to ensure that members have a variety of backgrounds, skills and experience in order that Council can be as effective as possible.

### Effectiveness of governance

We believe that effective and robust governance ensures probity in the decisions we make and serves to increase confidence in our work. We consider that our practice complies with the principles set out in Good Governance: A Code for the Voluntary and Community Sector<sup>5</sup> to the extent that it is applicable.

Council conducts its business in accordance with the seven principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty, and leadership.

This year we undertook the following activities to further enhance the effectiveness of our governance:

- **Gifts and hospitality policy:** We recognise that gifts and hospitality can be an appropriate part of a working relationship but any acceptance must not improperly influence, or be seen to improperly influence, any decisions or create a feeling of obligation. Our policy serves to reduce risk around any improper influence and we publish a register of gifts and hospitality.
- **Revised approach toward appointing members:** We recognise the importance of the composition of our Council and committees being reflective of the optical sector and wider society. This has historically been a challenge. We reviewed our appointment processes to reflect good practice and consider what barriers may be in place that deter individuals from currently underrepresented groups from applying. We are hopeful that some of the measures introduced, such as providing unconscious bias training for all those on our selection panels and revising the competencies required, will have a positive impact on the diversity of applicants.

## How We Deliver Public Benefit



- **Management of interests policy:** We recognise it is important to manage interests to ensure probity in our decision-making. This policy provides additional guidance concerning the identification, declaration and management of interests.
- **Training on information governance practice:** We conducted a comprehensive training programme for all employees on information governance principles and practice. We are seeing greater awareness of data protection issues, and taking steps to ensure that data protection is embedded further within our policies and procedures.

### Council evaluation

As per good governance practice, Council undertook an annual evaluation of its performance. Overall, the outcomes from the Council evaluation process were positive, with members pointing to continual improvements in the quality of information received and good working relationships, both amongst Council members and with the Executive. The main outcomes of the review, and the actions taken to bring those outcomes forward, are detailed below.

### Induction, appraisal and development

All Council and committee members are inducted, developed and appraised in accordance with our published policies. We hold a corporate induction session for newly appointed members on an annual basis, as an opportunity for members to meet with each other and understand our challenges and priorities. Council members are appraised annually and, in general, committee members biennially. Appraisals are used to support any recommendation for reappointment and identification of development requirements. The member development plan is designed to supplement areas of skills and knowledge that have been identified by members.

### Members' conduct

Council (in their role as members and trustees) and committee members have a duty to act impartially and objectively and to take steps to avoid putting themselves in a position where their personal interests conflict with their duty to act in the interests of the charity, unless they are authorised to do so, and take steps to avoid any conflict of interest arising as a result of their membership of, or association with, other

Outcome	Action
<b>Strategic direction and horizon scanning:</b> dedicate further time at Council level on horizon scanning	The development of our research strategy, which includes research with the public, registrants and employees, will help inform horizon scanning in the future. Council agendas have been structured into strategic, assurance and operational items, to ensure that more time is spent on strategic items. An additional session for Council and committee members on legislative reform was held in October 2015.
<b>Risk:</b> embed further the consideration of risk into Council decision-making	Training on risk management for Council members was developed and delivered in November 2015. Council paper templates have been revised to consider risks associated with proposals and mitigating actions to address those risks at the start.
<b>Member development:</b> identify particular areas where further development opportunities may be beneficial	A tailored member development plan compiled for Council for 2015–2018 has been agreed. Briefing papers covering all regulatory and operational areas are in development to support induction of new members.
<b>Collaboration between Council and committees:</b> explore scope for closer working between Council and committee members	Committee members were invited to member strategy sessions, where those members bring specialist knowledge. A quarterly member newsletter has been developed to ensure that all members are kept informed of Council developments.

## How We Deliver Public Benefit

organisations or individuals. To make this fully transparent, we have established a register of members' interests, which is published on our website.

### Fees

Following a comprehensive benchmarking exercise to ensure fees were set in line with comparator market rates, whilst ensuring value for money, new member fees were agreed to come into effect on 1 April 2016<sup>6</sup>.

### Attendance

The attendance record of Council members at Council and committee meetings and the fees and expenses of Council members are shown on page 30. There were nine Council meetings held during the year: four held in public and five held in private. Council considers that it has met sufficiently regularly over the course of the reporting year to discharge its duties effectively. Council is committed to conducting as

much of its business as possible in public session; business will usually be transacted in private only if the matter being discussed is commercially or legally sensitive, if it is a preliminary discussion on development of strategy or policy, or if the matter being discussed concerns an individual or specific group.

All Council members are required to take part in other activities such as induction, development, strategy, corporate performance and Council evaluation. All members are required to engage in their own performance appraisal, for which they receive no additional remuneration.

### Scheme of delegation

Our scheme of delegation sets out those functions retained by Council, delegated to a committee, or delegated to the Chief Executive and Registrar. Council is able to delegate any of its functions with the exception of approving rules.

**Table six: Council member fees, expenses and attendance**

	Registrant or lay member	Home location	Fees £	Expenses £	Attendance <sup>7</sup>	Committee meeting attendance
Gareth Hadley	Lay (Chair)	England	40,000	496	9/9	Rem 4/4, Nom 2/2
Brian Coulter <sup>8</sup>	Lay	Northern Ireland	16,000	4,251	9/9	Rem 4/4, Education 3/5
Paul Carroll	Registrant	England	13,000	2,074	9/9	Nom 2/2
Peter Douglas	Lay	England	13,000	349	8/9	ARC 5/5
Rosie Glazebrook	Lay	England	13,000	173	8/9	ARC 3/5, Registration 3/3
Rob Hogan <sup>9</sup>	Registrant	England	11,700	3,125	6/6	ARC 2/3
Liam Kite	Registrant	England	13,000	674	7/9	Rem 3/4, Registration 2/3
Scott Mackie <sup>10</sup>	Registrant	Scotland	15,600	4,011	9/9	Education 2/5
David Parkins <sup>11</sup>	Registrant	England	560	-	1/1	
Fiona Peel	Lay	Wales	13,000	1,453	5/9	Companies 2/2, Education 5/5
Helen Tilley	Registrant	Wales	13,000	5,168	9/9	Companies 2/2, Standards 3/3
Glenn Tomison	Registrant	England	13,000	2,711	7/9	ARC 2/2, Standards 3/3
Selina Ullah	Lay	England	13,000	2,793	4/9	Nom 2/2, Standards 3/3

### Key

Rem – Remuneration Committee, Nom – Nominations Committee, ARC – Audit and Risk Committee

<sup>5</sup> [www.governancecode.org/](http://www.governancecode.org/)

<sup>6</sup> [www.optical.org/en/about\\_us/our-governance/index.cfm](http://www.optical.org/en/about_us/our-governance/index.cfm)

<sup>7</sup> There were nine Council meetings held during the year: four held in public and five held in private. The attendance figures cover all of the Council and Committee meetings held by Council during the year. All Council members are required to take part in other events such as strategy days, evaluations and performance appraisals, for which they receive no additional remuneration and which are not included in the attendance figures above.

<sup>8</sup> Brian Coulter is the Senior Council Member.

<sup>9</sup> Rob Hogan's term of office concluded on 31 December 2015.

<sup>10</sup> Scott Mackie and Rob Hogan are paid fees via the purchase ledger and charged VAT on their fees.

<sup>11</sup> David Parkins was appointed on 15 March 2016.

## How We Deliver Public Benefit



### The Executive

Our Chief Executive and Registrar, Samantha Peters, is responsible for the Executive, which is structured into three interlinked directorates. She has a number of decision-making powers under the Opticians Act 1989 and some powers delegated to her from Council. In order to exercise her powers, she delegates some of these to other members of the Executive. She holds routine meetings of the SMT and managers (management forum). Both are used to monitor financial and corporate performance and risk registers on a routine basis and to provide feedback on all aspects of our role and operations. All recommendations made to Council are considered by members of the SMT prior to approval by the Chief Executive and Registrar.

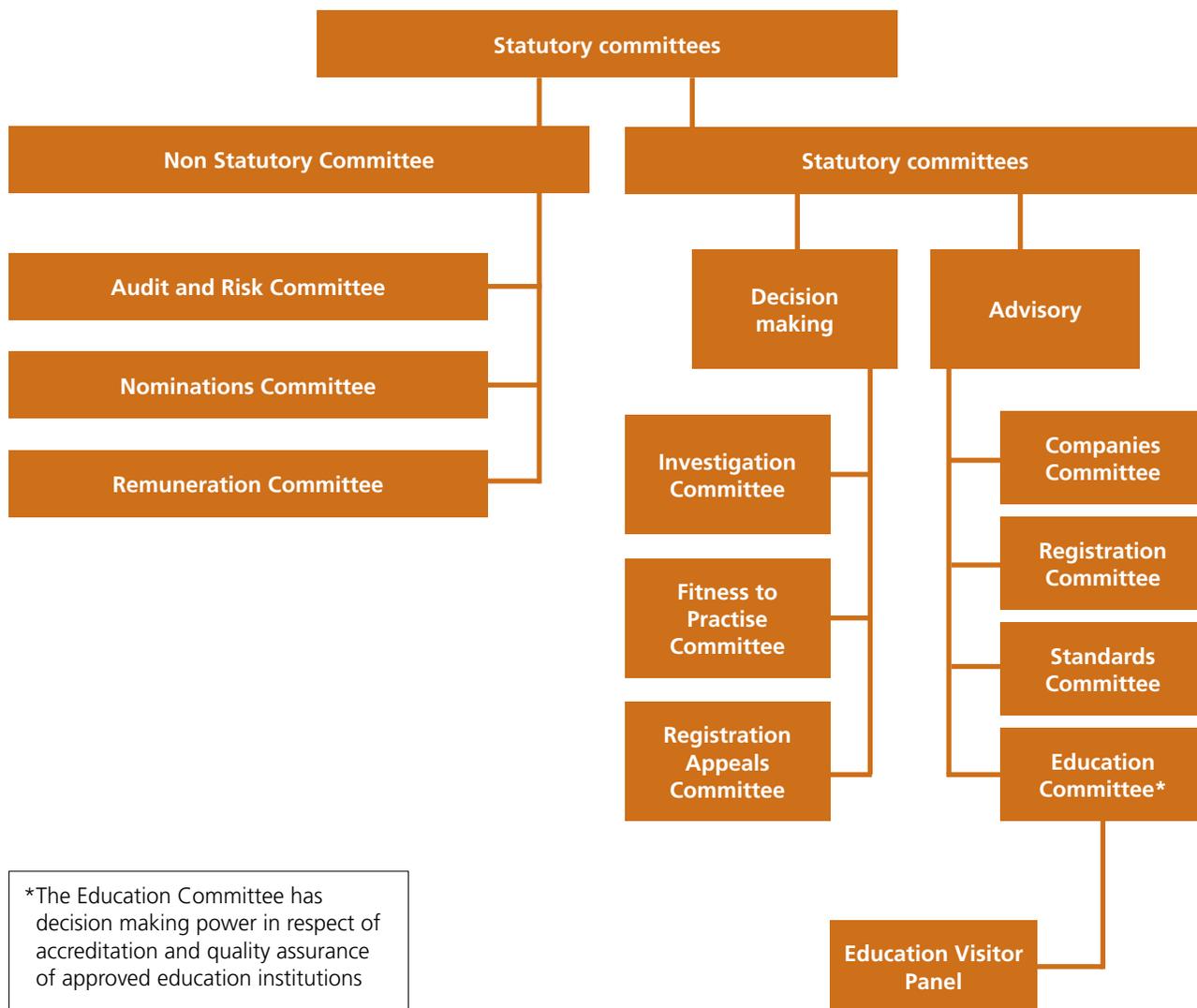
The Director of Strategy, Alistair Bridge, has responsibility for nine functions: education, standards, policy, research, communications, governance, compliance, and business planning and performance.

The Director of Fitness to Practise, Lisa Davis, has responsibility for three functions: FTP, hearings and Legal compliance.

The Director of Resources, Josie Lloyd, has responsibility for five functions: registration, human resources, facilities, finance and information technology.

### Our governance structure

Our structure is illustrated in the diagram below.



\*The Education Committee has decision making power in respect of accreditation and quality assurance of approved education institutions

## How We Deliver Public Benefit



In order to exercise its powers, Council delegates certain responsibilities to committees with clearly defined authority and terms of reference.

We view the advisory committees as a valuable source of stakeholder views – alongside views obtained from research, public consultants and other engagement – in shaping Council's thinking and decision-making.

### Committees of Council

Three of our committees (investigation, fitness to practise and registration appeals) make decisions as specified in the Opticians Act 1989. Our other committees are advisory committees with some delegated decision-making powers. To ensure that there is greater cohesion and sharing of information between Council and its committees, each advisory committee is chaired by a Council member and their membership includes at least one other Council member. Our committees also include members appointed by virtue of the knowledge, skills and experience that they bring. Committee members are appointed by Council, via the nominations committee, using open recruitment processes based on the principles of merit, fairness, honesty, openness and credibility, and are subject to statutory annual reappointment.

The work of all of our committees, including how the work of our committees serves to enhance the quality of debate and decision-making by Council, is detailed below. Details of the Council members on each committee, the number of committee meetings held and attendance of Council members is shown on page 30.

### Audit and Risk Committee

The committee advises Council on audit, risk and some aspects of governance, and takes some decisions as delegated by Council. In addition to the Council members on the committee, Helen Dearden is appointed as an

independent member and she attended all meetings during the year. The role of the independent member is to provide the committee with independent, objective and impartial advice and judgement on audit, risk, governance and charity governance matters. The Chair (Peter Douglas) satisfies the provision under the UK Corporate Governance Code that at least one member of the committee has relevant financial experience.

The committee undertook the following work during 2015/16:

- reviewed our annual report and accounts, budget-planning timetable and guidance, and external audit findings report, accounting and internal control recommendations;
- monitored the effectiveness of the internal audit function, including approving their remit and fee, and assessing and approving the internal audit plan;
- received internal audit reports and monitored the Executive's response;
- monitored the effectiveness of the external audit provider and advised Council on their reappointment;
- considered and recommended approval of a variety of internal control-related policies;
- reviewed the corporate risk register and advised Council on risk exposure; and
- reviewed complaints received and dealt with by the Registrar under the complaints protocol.

We outsource our internal audit function to Moore Stephens who were appointed in March 2013 for a period of three years, subject to yearly reappointment. At its meeting on 20 April 2015, the audit and risk committee agreed to the annual reappointment of Moore Stephens to fulfil the internal audit function until 31 March 2016.



## How We Deliver Public Benefit



haysmacintyre were the external auditors in February 2014 for a period of three years commencing 31 March 2014 and continuing for three financial cycles up to and including completion of financial reports for 2016/17. This is subject to annual reappointment.

In line with good governance practice, an effectiveness review of the internal audit function was undertaken in April 2015. This included obtaining feedback from the Executive and the external auditors.

In January 2016, the committee agreed to undertake an effectiveness review of the external audit function, following the conclusion of the third audit (quarter three, 2015/16).

During 2015/16, haysmacintyre also carried out the non-audit function of corporation tax compliance advice. haysmacintyre have procedures in place to ensure that their partners and professional staff comply with both the Ethical Standards and the Guide to Professional Ethics issued by The Institute of Chartered Accountants in England and Wales. We are satisfied that there are no relationships between haysmacintyre and the GOC which would threaten the external auditors' independence or the objectivity of the audit partner or the audit staff.

### Remuneration Committee

The committee advises Council on the payment of Council and committee member fees, the Chief Executive and Registrar and SMT's remuneration, processes to determine executive remuneration, reward and performance management, and takes some delegated decisions. In addition to the Council members on the committee, Helen Dearden is appointed as an independent member and she attended all meetings during the year. The independent member acts as an independent advisor on non-executive remuneration.

The committee undertook the following work during 2015/16:

- provided assurance on the processes to determine executive remuneration, reward and performance management;
- agreed a pay progression scheme for SMT and recommended to Council the remuneration of the Chief Executive and Registrar and SMT;
- reviewed and approved the processes of appraisal for the Chief Executive and Registrar and Directors;
- approved the expenses policy; and
- reviewed and recommended Council and committee member fees for 2016/17.

### Nominations committee

The committee advises Council and take some delegated decisions in areas of appointment, reappointment, appraisal, evaluation, induction and development of members.

In addition to the Council members on the committee, Penny Bennett is appointed as an independent member and she attended all meetings during the year. The independent member provides independent, objective and impartial advice and judgement. In addition, the independent member acts as an independent assessor for appointment and reappointment processes and undertakes the appraisal of our hearing panel Chairs and the investigation committee (IC) Chair.

The committee undertook the following work during 2015/16:

- approving the appointments process for a registrant Council member and the proposed process to be undertaken for a lay (Northern Ireland) Council member;
- the reappointment of members to our statutory advisory committees;
- a review of the Council and committee member appointments process;
- approval of a member development plan for 2015–2018;
- considering how to promote diversity to ensure that the composition of our Council and committees is reflective of the optical profession and wider society; and
- development of the Council evaluation process for 2015/16.

### Education Committee

The committee provides advice and assists Council on matters relating to optical training, education and assessment, including the approval of training establishments and qualifications. The committee also reviews our requirements for the content and standard of education, including the CET scheme and recommends changes as necessary. The current members of the committee ([www.optical.org/en/about\\_us/how\\_we\\_work/Education\\_Committee.cfm](http://www.optical.org/en/about_us/how_we_work/Education_Committee.cfm)) have been reappointed by Council until 31 December 2016. The committee met five times during the year.

### Education Visitor Panel

The panel provides assistance to the education committee by conducting accreditation and quality assurance visits to education and qualification providers. Panel members recommend whether to continue or withdraw approval, to apply conditions or make recommendations for the revision or improvement of a course or examination.

### Standards Committee

The committee provides advice and assists Council on the standards of conduct and performance expected of current and potential registrants, including business registrants. The current members of the committee ([www.optical.org/en/about\\_us/how\\_we\\_work/Standards\\_Committee.cfm](http://www.optical.org/en/about_us/how_we_work/Standards_Committee.cfm)) have been reappointed by Council until 31 December 2016. The committee met twice during the year.



### Companies Committee

The committee provides advice and assists Council on matters relating to business registrants (other than in relation to FTP issues). The current members of the committee ([www.optical.org/en/about\\_us/how\\_we\\_work/Companies\\_Committee.cfm](http://www.optical.org/en/about_us/how_we_work/Companies_Committee.cfm)) were reappointed by Council until 31 December 2016. The committee met twice during the year.

### Registration Committee

The committee provides advice and assists Council on matters relating to registration, including the rules governing registration and publication of the registers. The current members of the committee ([www.optical.org/en/about\\_us/how\\_we\\_work/Registration\\_Committee.cfm](http://www.optical.org/en/about_us/how_we_work/Registration_Committee.cfm)) were reappointed by Council until 31 December 2016. The committee met three times during the year.

### Investigation Committee

For instances when examiners cannot agree, the committee investigates allegations that a registrant's fitness to practise, carry on business or undertake training is impaired and decides whether the allegation should be referred to the FTP committee and, if not, what the next course of action should be. They also consider requests by case examiners for a registrant to be subject to an assessment of their performance or health. The current members of the committee ([www.optical.org/en/about\\_us/how\\_we\\_work/Investigation\\_Committee.cfm](http://www.optical.org/en/about_us/how_we_work/Investigation_Committee.cfm)) were reappointed by Council until 31 December 2016. The committee met five times during the year.

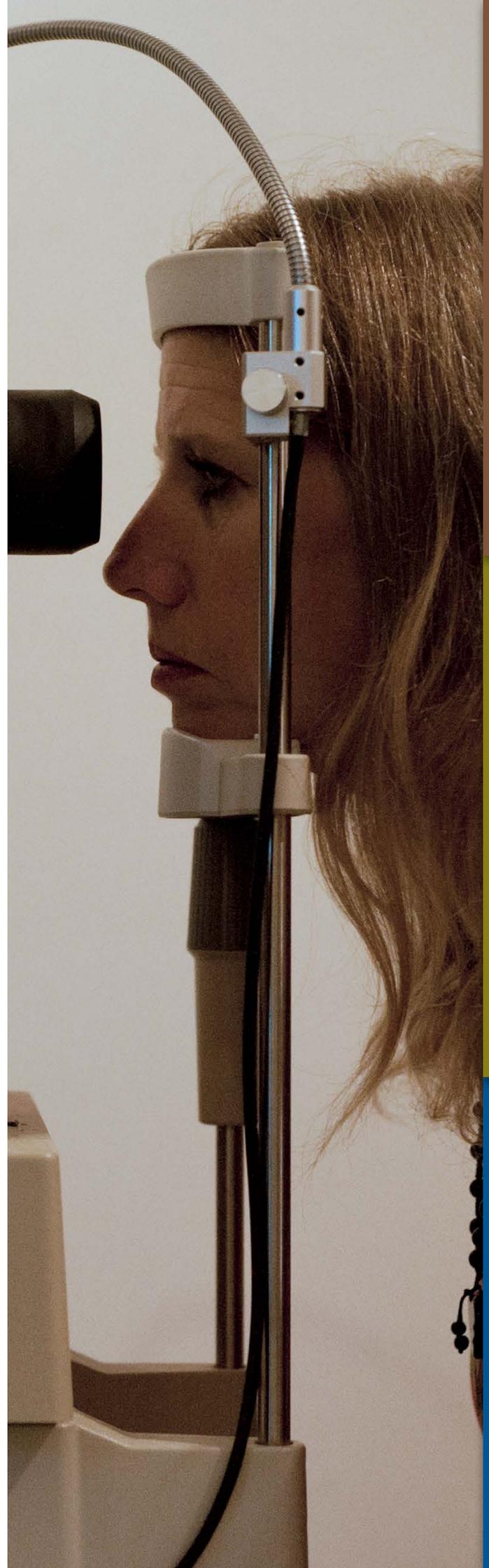
### Fitness to Practise Committee and Registration Appeals Committee

The FTP committee considers allegations that a registrant's fitness to practise, carry on business or undertake training is impaired. These allegations are referred to the committee by our IC or case examiners.

The registration appeals committee (RAC) is constituted for the purpose of hearing and determining appeals against any decision of the Registrar refusing to enter the name of an individual or body corporate in the register, or, where the registrant has previously been subject to a sanction of erasure, to restore it to the appropriate register.

Members of the FTP committee and the RAC are selected from a group of hearing panel members ([www.optical.org/en/about\\_us/People/Hearings\\_Panel\\_members.cfm](http://www.optical.org/en/about_us/People/Hearings_Panel_members.cfm)).

***Council would like to thank all members who have supported us during 2015/16.***

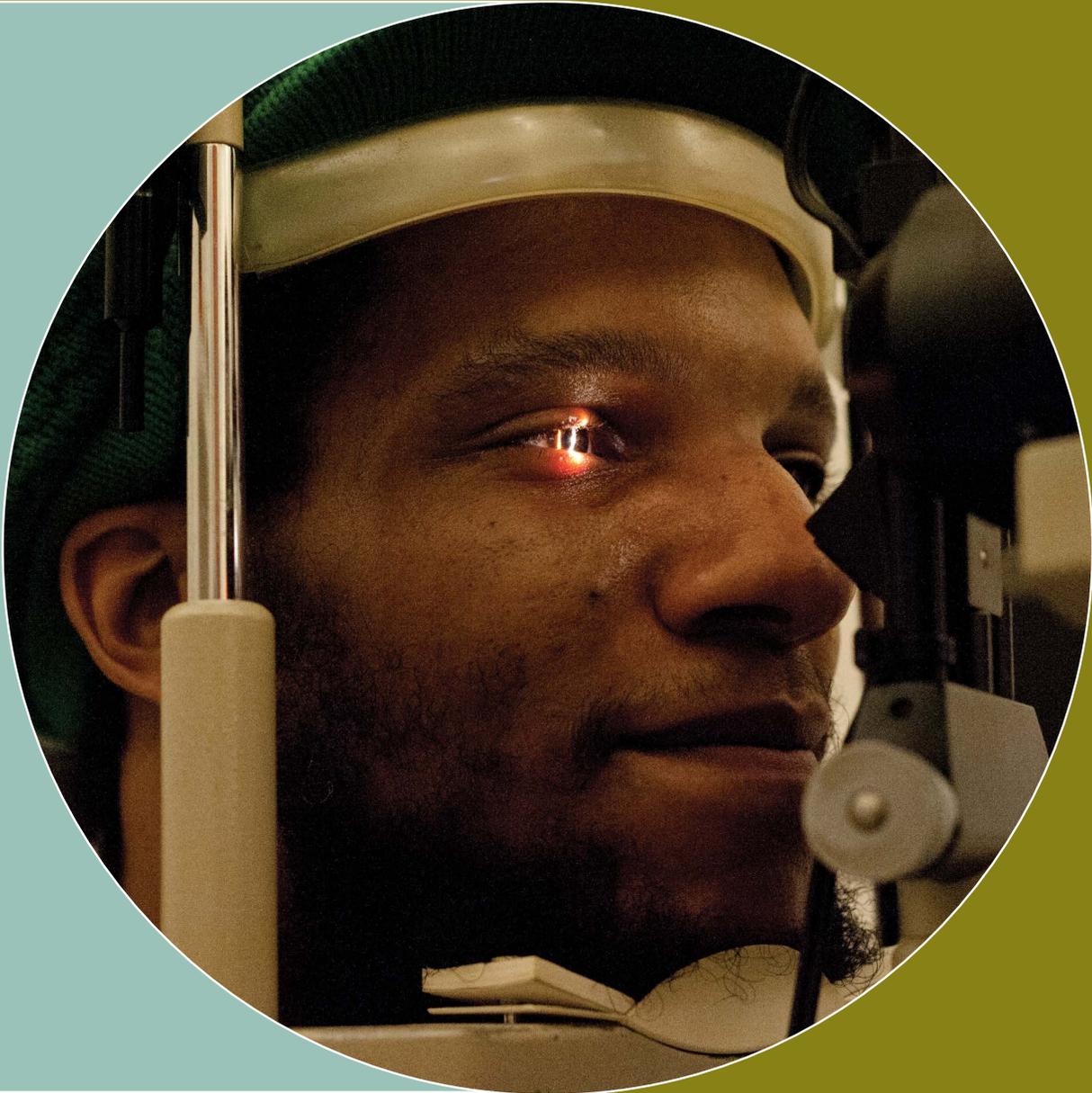


## Reference and administrative details

The GOC is the statutory regulator for the optical professions in the UK and is constituted as a body corporate under the Opticians Act 1989, as updated by its section 60 amending legislation which came into effect on 30 June 2005. On 12 December 2012, the GOC was registered as a charity by the Charity Commission in England and Wales (registered charity number 1150137).

<b>GOC registered office and operational address</b>	10 Old Bailey, London, EC4M 7NG
<b>Bankers</b>	Royal Bank of Scotland 28 Cavendish Square, Marylebone, London, W1G 0DB  Lloyds Banking Group (incorporating Bank of Scotland) 4th Floor, 25 Gresham Street, London, EC2V 7HN
<b>Internal auditors</b>	Moore Stephens LLP 150 Aldersgate Street, London, EC1A 4AB
<b>External auditors</b>	haysmacintyre 26 Red Lion Square, London, WC1R 4AG
<b>Investment advisors</b>	Brewin Dolphin Limited 12 Smithfield Street, London, EC1A 9BD
<b>Council</b>	Gareth Hadley (Chair) (appointed 19 February 2013 until 18 February 2017) Brian Coulter (reappointed 1 April 2015 until 31 March 2017) Paul Carroll (reappointed 1 April 2013 until 31 March 2017) Peter Douglas (reappointed 1 April 2013 until 31 March 2017) Rosie Glazebrook (appointed 1 January 2015 until 31 December 2018) Rob Hogan (reappointed 1 April 2013 until 31 December 2015) Liam Kite (reappointed 1 April 2013 until 31 March 2017) Scott Mackie (appointed 1 April 2013 until 31 March 2017) David Parkins (appointed 15 March 2016 until 14 March 2020) Fiona Peel (reappointed 1 April 2013 until 31 March 2017) Helen Tilley (appointed 1 May 2013 until 30 April 2017) Glenn Tomison (appointed 1 January 2015 until 31 December 2018) Selina Ullah (reappointed 1 September 2014 until 31 August 2019)
<b>SMT</b>	Samantha Peters, Chief Executive and Registrar Alistair Bridge, Director of Strategy Josephine Lloyd, Director of Resources Lisa Davis, Director of Fitness to Practise

# Our Fitness To Practise Annual Report





## Fitness to practise – what does it mean?

In order to meet our statutory functions and to protect, promote and maintain the health and safety of members of the public, we investigate and act where a registrant's fitness to practise, train or carry on business is alleged to be impaired. We recognise that all professionals may make mistakes during the course of their practice. Our FTP process is designed to assess whether that error, conduct or behaviour could reoccur or is so serious that we ought to take action to place restrictions on a registrant's registration.

A concern that a registrant may not be fit to practise can be as a result of one or more different factors including:

- poor professional performance;
- physical or mental health problems affecting their work;
- inappropriate behaviour;
- being under the influence of alcohol or drugs at work;
- fraud or dishonesty;
- a criminal conviction or caution; or
- a finding by another regulatory body.

The main offences established by the Opticians Act 1989 are:

- testing sight when not a registered optometrist;
- fitting contact lenses when unregistered;
- selling spectacles, prescription contact lenses or ZPLs without meeting the requirements in the Opticians Act 1989 and/or the Sale of Optical Appliances Order of Council; and
- misusing a protected title or otherwise pretending to be registered with the GOC.

We undertake an initial assessment of all concerns raised to determine whether the matters constitute an allegation of impaired FTP and relate to a registered individual or business. Complaints that do not meet these criteria may be referred elsewhere (for example, to the OCCS). For complaints that do meet these criteria, we conduct a thorough and independent investigation to gather all the relevant information. We keep the referrer informed and provide the registrant with an opportunity to offer a full response to the allegations before case examiners (or the IC) determine whether the matter should proceed to a full hearing.

### Highlights

We have significantly reduced our median time for the progression of a case from initial receipt of referral through to final FTP committee decision by 22 weeks, down from 104 weeks to 82 weeks, against a target of 78 weeks. We also measure the percentage of FTP decisions made within 52 weeks (17 per cent, up from 2014/15 by four per cent), 78 weeks (45 per cent, up from 2014/15 by 12 per cent) and 104 weeks (83 per cent, up from 2014/15 by 16 per cent) against challenging targets of 20, 80 and 98 per cent. While we are not currently meeting our challenging performance targets, we have again seen an improvement on the prior year in respect of all three measures.

We have maintained the median time taken to impose an IO of three weeks, where we protect the public through quick action in cases that present the most serious patient safety risk.

Set against these achievements, are continuing challenges. We have seen an increase in the time taken to progress investigations to case examiner/IC decision stage (from 35 weeks in 2014/15 to 43 weeks this year). We have increased the number of decisions made by our case examiners – 369 – which is almost 100 more than our preliminary decision makers have ever made in a year.

### Complaints received in 2015/16

We received 343 contacts/complaints about the FTP of our registrants, from which we opened 223 full investigations. The number of investigations opened is 20 per cent fewer than in 2014/15, although the number of investigations opened year-on-year shows a longer-term upward trend. As in previous years, less than one per cent of those registered with us were subject to complaints about their FTP during the period and, of these, even fewer were referred for a formal hearing. This serves to demonstrate that the vast majority of our registrants provide an excellent service to patients and will never be subject to any action on their registration. Table five sets out the number of investigations opened against each GOC registrant category.



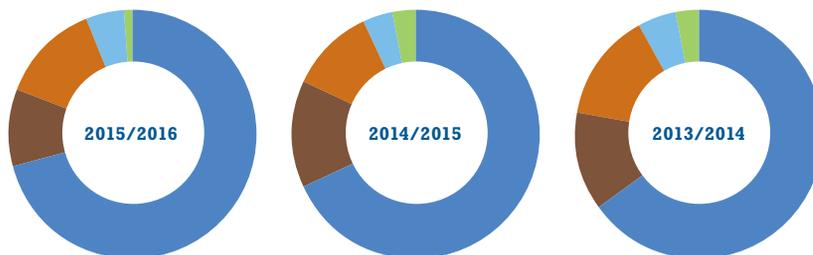
**Table five: FTP investigations opened against each GOC registrant category**

	2015/16	%	2014/15	%	2013/14	%
Optometrist	158	71	193	69	123	65
Business registrant	23	10	38	14	24	13
Dispensing optician	28	13	31	11	26	14
Student optometrist	12	5	10	4	10	5
Student dispensing optician	2	1	7	3	6	3
Number of investigations opened	223	-	279	-	189	-
Total number of registrants	29,136	-	29,162	-	26,435	-
Number of registrants subject to complaints	223	-	287	-	189	-
Percentage of registrants subject to complaints	0.77%	-	0.98%	-	0.71%	-

Registration figures are correct as of 31 March of each year.

**Registrant categories**

- Optometrist
- Business registrant
- Dispensing optician
- Student optometrist
- Student dispensing optician





**Table six** shows the types of complaints investigated over the last four years. The largest types of complaint continue to relate to personal conduct, followed by 'other clinical', spectacle provisions and conviction/caution. Together these four types amount to 40 per cent of investigations.

**Table six: types of complaint received**

Type of complaint	2015/16	%	2014/15	%	2013/14	%
Personal conduct	31	13.9	43	15	25	11.9
Other clinical	24	10.8	27	10	37	17.6
Spectacle prescription	18	8.1	24	9	25	11.9
Conviction/caution	16	7.2	22	8	16	7.6
Complaint handling – business	10	4.5	2	0.7	10	4.8
Cataracts	10	4.5	18	6.5	9	4.3
Procedures – business	6	2.7	17	6	1	0.5
Tumour	10	4.5	14	5		-
Multiple (clinical/conduct)	14	6.3	13	4.6	15	7.1
Glaucoma	9	4.0	12	4.3	2	1.0
Retinal detachment	4	1.8	12	4.3	5	2.4
Testing unregistered	1	0.4	11	3.9	0	-
Fraud	4	1.8	10	3.6	2	1.0
Multiple (clinical)	12	5.4	9	3.5	9	4.3
Related to laser eye surgery	5	2.2	7	2.5	2	1.0
Contact lenses	2	0.9	5	2	9	4.3
Domiciliary	5	2.2	5	2	0	-
Macular degeneration	11	4.9	5	2	4	1.9
Ill health	6	2.7	4	1.4	3	1.4
Supervision of student	5	2.2	4	1.4	2	1.0
Management of child patients	6	2.7	3	0.1	6	2.9
Other miscellaneous	1	0.4	3	1	8	3.8
Fitting/dispensing	7	3.1	2	0.7	5	2.4
Breach of Opticians Act	4	1.8	2	0.7	2	1.0
Exam/qualification fraud	0	0.0	2	0.7	1	0.5
Non-declaration to Primary Care Trust	0	0.0	1	0.4	0	-
Non-declaration of a criminal conviction to the GOC	0	0.0	1	0.4	2	1.0
Theft	1	0.4	1	0.4	9	4.3
Restricted activities	0	0.0	0	0	1	0.5
Advertising Standards Authority (ASA)	1	0.4	0	0	0	-
Testing unsupervised	0	0.0	0	0	0	-
<b>TOTAL</b>	<b>223</b>		<b>279</b>		<b>210</b>	

Complaints are categorised by the primary category into which the complaint falls.



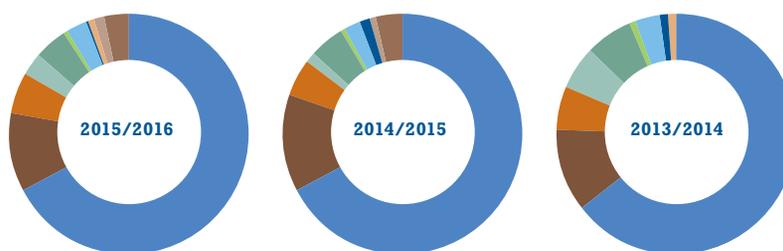
**Table seven** shows the source of concerns received during the last three years. The figures include the number of concerns raised by way of protected disclosure (whistle-blowers) and those raised anonymously (if a concern falls into both categories, it will be classified as a protected disclosure).

**Table seven: source of FTP concerns received**

Source of concern	2015/16	%	2014/15	%	2013/14	%
Individual	150	67.3	188	67	122	64.6
Self-declaration	24	10.8	36	13	21	11.1
GOC	12	5.4	14	5	11	5.8
Primary care organisation	7	3.1	4	1.4	11	5.8
Employer/ex-employer	10	4.5	13	4.7	12	6.3
Police	1	0.4	2	0.7	2	1.1
Professional/educational body	6	2.7	6	2.2	6	3.2
ASA	0	0.0	0	0	0	0.0
Counter-fraud services	1	0.4	4	1.4	2	1.1
Other	2	0.9	0	0	2	1.1
Anonymous	3	1.3	2	0.7	0	
Whistle-blower	7	3.1	10	3.6	0	
<b>TOTAL</b>	<b>223</b>		<b>279</b>		<b>189</b>	

**Source of Complaint**

- Individual
- Self-declaration
- GOC
- Primary care organisation
- Employer/Ex-employer
- Police
- Professional/educational body
- Advertising Standards Authority
- Counterfraud services
- Other
- Anonymous
- Whistleblower





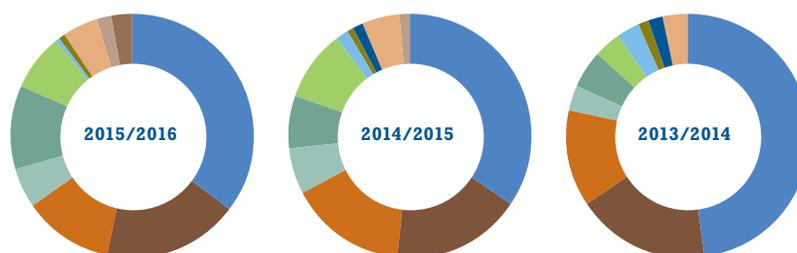
**Table eight** shows the decisions made by case examiners or the IC in the last three years. The numbers include all cases considered in these periods, including those where cases were opened before the period. Our case examiners and IC considered 369 cases (some cases are considered more than once) including reconsiderations pursuant to Rules 15 and 16 and all interim decisions. 64 per cent of the cases resulted in no further action. Only 25 per cent were referred to a full hearing. This is broadly consistent with prior years.

**Table eight: outcomes decided by case examiners and the IC**

Outcome	2015/16	%	2014/15	%	2013/14	%
No further action	131	48*	78	45*	132	58*
Referral to FTP committee (FTPC)	66	25*	39	23*	49	22*
No further action with advice	44	16*	35	20*	35	15.5*
Further investigation required	20	n/a	14	n/a	9	n/a
Minded to issue a warning	41	n/a	16	n/a	14	n/a
Warning	28	11*	21	12*	10	4.5*
Direction for a performance assessment	2	n/a	4	n/a	8	n/a
Direction for a health assessment	3	n/a	2	n/a	4	n/a
Withdrawn by complainant	0	n/a	3	n/a	5	n/a
Termination of referral to FTPC	17	n/a	11	n/a	9	n/a
Confirmation of referral to FTPC	7	n/a	3	n/a	n/k	n/a
Review of decision not to refer to FTPC	10	n/a	0	0	0	n/a
<b>TOTAL</b>	<b>369</b>		<b>226</b>		<b>275</b>	

**Outcome**

- No further action
- Referral to FTPC
- No further action with advice
- Further investigation required
- Minded to issue a warning
- Warning
- Direction for a performance assessment
- Direction for a health assessment
- Withdrawn by complainant
- Termination of referral to FTPC
- Confirmation of referral to FTPC
- Review of decision not to refer to FTPC





### Interim Orders

With effect from 1 April 2014, the GOC Registrar was given the legal power to refer a matter directly to the FTP committee for consideration as to the imposition of an IO on the registrant's practice. Both case examiners and the IC also have the power to instruct the Registrar to take this step. An IO is an immediate order which is used where the FTP committee is satisfied that it is:

- necessary to restrict the registrant's practice to protect the public;
- otherwise in the public interest; or
- in the interests of the registrant.

In the period covered by this report, we applied for an IO in 29 cases, 19 of which resulted in an IO being imposed. This is ten more than the number of applications made in the previous year.

### Fitness to Practise Committee

In reaching a decision, the FTP committee considers whether it is necessary to take action to protect individual members of the public and whether taking action is necessary for the wider public interest: for example, in order to maintain public confidence in the professions or to declare and uphold proper standards of conduct and behaviour.

If the FTP committee finds that the registrant's fitness to practise or undertake training is currently impaired, one of the following outcomes is available to it:

<b>Erasure of the registrant's name from our register</b>	The registrant's name is taken off the register and they cannot work or train as an optometrist or dispensing optician or run a GOC-registered business in the UK. If they want their name restored to the register, they have to go through a separate process which includes considering the reasons for their removal and any remediation that may have taken place. A registrant can apply for their name to be put back on the register no earlier than 22 months following the date of erasure.
<b>Suspension from our register</b>	The registrant's name is temporarily taken off the register and they cannot work, train or run a GOC-registered business in the UK for a fixed period of time. If someone tries to work as an optometrist or dispensing optician after being suspended or erased they are committing a criminal offence.
<b>Conditional registration</b>	The registrant can stay on the register provided they comply with certain conditions such as doing extra training or being supervised.
<b>Payment of a financial penalty</b>	Imposition of a financial penalty in conjunction with any other directions which it has imposed, up to a maximum of £50,000.
<b>Warning</b>	If the committee finds that the registrant's fitness to practise or undertake training is not impaired, they can still warn the registrant about their future behaviour or performance. A warning can be for varying periods of time and will be appended to the registrant's online registration.



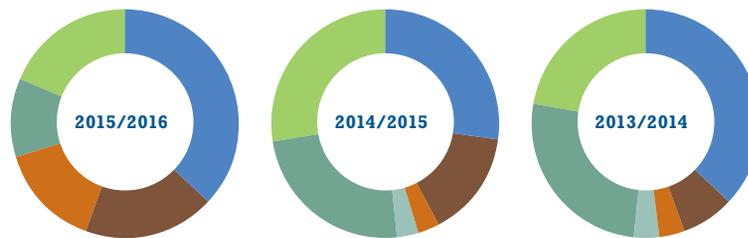
**Table nine** shows the outcomes of cases decided by the FTP committee over the last three years. In 2015/16, the FTP committee considered 27 substantive hearings involving 29 registrants and ten substantive reviews. In addition, the FTP committee considered one procedural hearing and 29 IO applications of which 20 had IO suspension or conditions imposed and nine received no order.

**Table nine: outcomes decided by the FTP committee**

Substantive hearings						
Outcome	2015/16	%	2014/15	%	2013/14	%
Erasure	10	37.0	9	27.3	10	37.0
Suspension	5	18.5	5	15.2	2	7.4
Conditions	4	14.8	1	3.0	1	3.7
Financial penalty	-	-	1	3.0	1	3.7
Warning	3	11.1	8	24.2	7	25.9
No further action / No case to answer	5	18.5	9	27.3	6	22.2
<b>TOTAL</b>	<b>27</b>		<b>33</b>		<b>27</b>	

**Outcome**

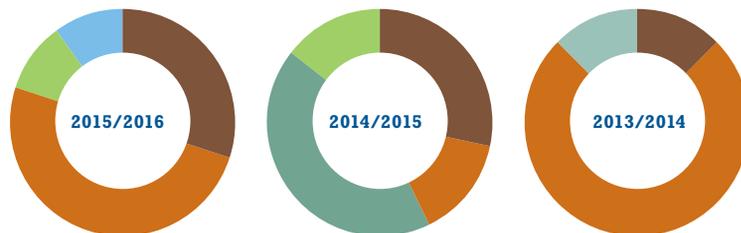
- Erasure
- Suspension
- Conditions
- Financial penalty
- Warning
- No further action / No case to answer



Substantive reviews						
Outcome	2015/16	%	2014-15	%	2013-14	%
Suspension to continue following review hearing	0	-	0	0	0	0
Conditions to continue following review hearing	3	30	2	28.6	1	12.5
No impairment following review hearing	5	50	1	14.3	6	75.0
Erasure following review hearing	0	-	0	0.0	1	12.5
Suspension changed to conditions following review hearing	0	-	3	42.9	-	-
Conditions changed to suspension following review	1	10	1	14.3	-	-
Undertaking	1	10	-	-	-	-
<b>TOTAL</b>	<b>10</b>		<b>7</b>		<b>8</b>	

**Outcome**

- Suspension to continue following review hearing
- Conditions to continue following review hearing
- No impairment following review hearing
- Erasure following review hearing
- Suspension changed to conditions following review hearing
- Conditions changed to suspension following review
- Undertaking





### Registration Appeals Committee

Where a registrant is erased from the register, any application for restoration is heard by the RAC. The applicant cannot make an application until 22 months have passed since the order for erasure took effect and the restoration hearing cannot take place until at least 24 months have passed. Prior to making the application, the applicant must have acquired the required number of CET points. This does not apply to optical students. During 2015/16, there were two applications for restoration by registrants previously erased by the FTP committee. Both applications were refused.

The RAC also considers appeals against decisions made by the Registrar not to allow initial registration. During 2015/16, the RAC heard three appeals: one against the Registrar's decision not to allow initial registration (drugs conviction) which was upheld, one appeal for practising whilst unregistered which was also upheld and one for a failure to declare a criminal conviction for drink-driving which was overturned.

We publish all outcomes from hearings on our website: ([www.optical.org/en/Investigating\\_complaints/Hearings/past\\_hearings/index.cfm](http://www.optical.org/en/Investigating_complaints/Hearings/past_hearings/index.cfm)) for a period of twelve months. Older decisions are available on request.

### Section 29 referrals

The PSA has the discretion to refer a decision of the FTP committee to the high court when it considers that the decision of the committee is unduly lenient or the penalty imposed does not reflect the seriousness of the misconduct found. The PSA can also refer the case if a decision should not have been made and it would be desirable for the protection of members of the public for the PSA to take action.

During 2015/16, the PSA did not refer any of the decisions of the FTP committee under this process.

### Audit

Each year, we commission an independent audit of the FTP decision-making of the IC and FTP committee, which contains sections on the auditor's findings, compliance with previous recommendations and learning points. Once the management response has been agreed, the audit report is submitted to the audit and risk committee for their scrutiny, before submission to the PSA. This is in compliance with the PSA's eighth FTP Standard of Good Regulation which states: 'All fitness to practise decisions made at the initial and final stages of the process are well reasoned, consistent, protect the public and maintain confidence in the profession.'

This year the audit was conducted by our internal auditors. A total of 43 decisions were audited and the audit report identified a small number of learning points, which we accepted and acted upon. In summary, the auditors concluded that *'The results of this audit demonstrated that principally the decisions had been made in compliance with the expected processes and in line with published guidance for the decision makers.'*

### PSA annual initial stages audit

The PSA last conducted an audit in July 2012. They are due to complete their next review in September/October 2016. All previous audit findings and recommendations have been actioned and completed.

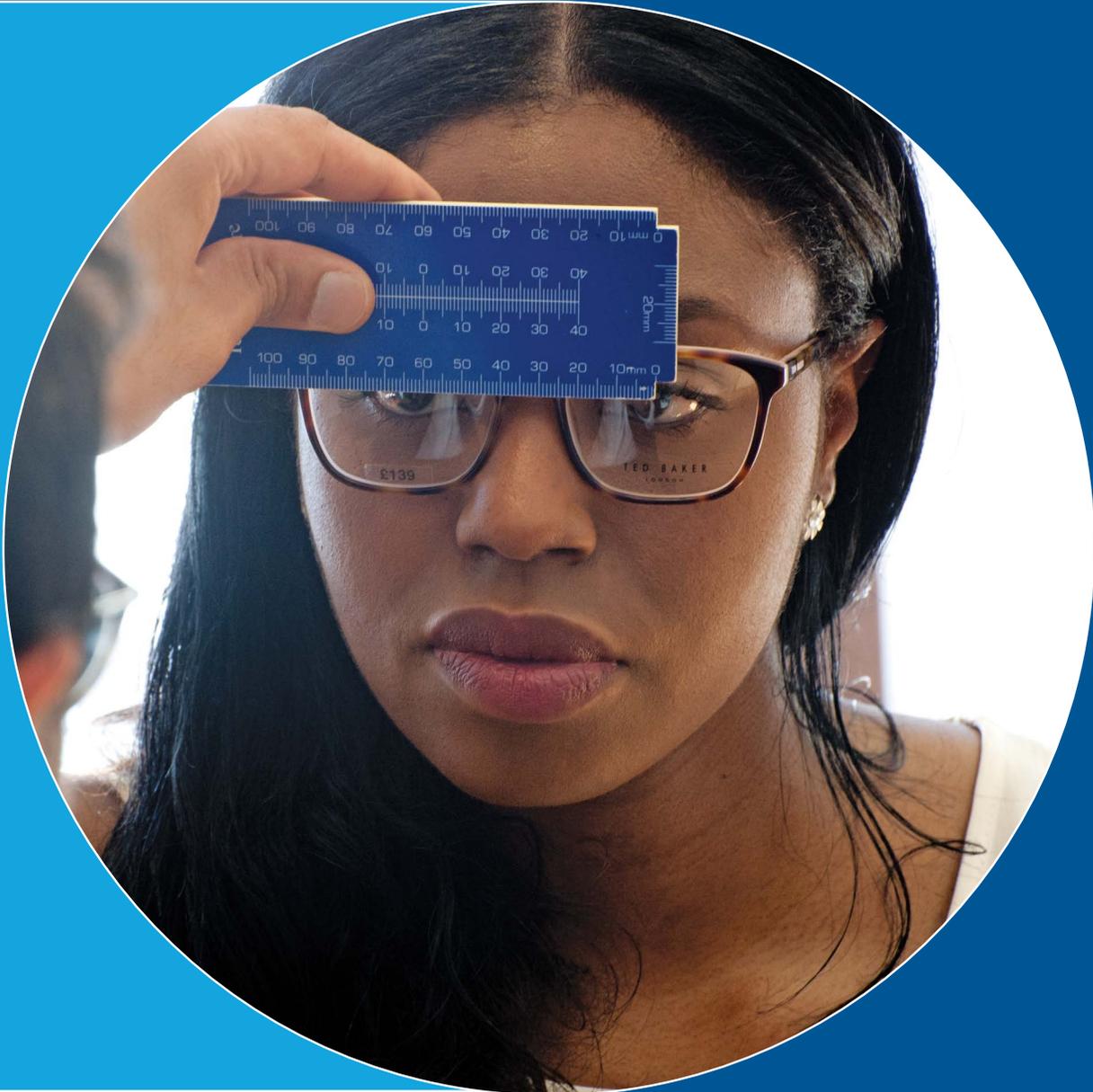
### Feedback

We also benefit from feedback, comments and questions sent from a variety of sources such as:

- patients and registrants who have been involved in an FTP case;
- FTP decision makers i.e. case examiners, IC members and hearing panel members;
- PSA feedback points after considering FTP committee determinations;
- regular and frequent meetings and training sessions with our panel solicitors; and
- meetings with other stakeholders.



# Financial Review





## Financial review of the year ended 31 March 2016

Section 32 (2) of the Opticians Act 1989 provides that 'the accounts for each financial year of the Council shall be audited by auditors to be appointed by them and shall as soon as may be after they have been audited be published and laid before Parliament'. Council prepares an annual financial report which identifies its financial position and which is submitted to the government for scrutiny.

The Audit and Risk Committee meets at least four times a year, reviews the systems of Council's internal financial controls and receives an annual report from the internal and external auditors. It also reviews the operational and compliance controls and risk management.

In 2015/16, financial performance (measured by net income) reduced compared with the previous year. During the year we received £0.1m of net income (2014/15 £6.3m). The change is mainly due to a gain of £5.9m on the disposal of our previous office in 41 Harley Street which was recognised in 2014/15.

Income for the year was £7.6m (2014/15 £12.8m). We achieved £7.1m (2014/15 £6.5m) annual renewal fee income.

During the year, we incurred £7.6m expenditure (2014/15 £6.5m). The associated cost of moving from freehold accommodation to rented accommodation and amortisation of the new CRM system have been main contributory factors for the increase in expenditure levels. Expenditure was incurred in line with the annual business plan and was monitored using an enhanced programme of cost control and review.

We have robust amounts of cash resources and the trustees have a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future as a going concern.

### Reserves policy

Council is responsible for making judgments about the appropriate levels of reserves for the organisation to hold. This is to ensure that there are prudent levels of reserves to provide for unexpected variations in spending or income patterns or to fund exceptional future spending. Council review these reserves at least annually at the time of setting the budget for each financial year in consultation with the Chair of the The Audit and Risk Committee.

All of our reserves are unrestricted. In addition to the income and expenditure reserve, four reserves have been designated for specific purposes:

- the legal costs contingency reserve which may be utilised for specially identified types of legal expenses in line with the reserves policy;
- the strategic reserve which is reserved for 'invest to save' projects;
- the special reserve (established to meet the cost of providing in-year resourcing and delivery of the reward project); and
- the investment reserve which is set up expressly to manage the proceeds from the sale of the Harley Street property, ensure that these cash assets generate a suitable income stream and are utilised appropriately to support the functions of the organisation over the longer term.

The legal costs contingency reserve is maintained at £500k. The 'invest to save' projects utilise the strategic reserve funds over three years whilst the special reserve will be utilised within one year.

As can be seen from the notes to the accounts, the general fund (income and expenditure reserve) at the year-end was £3.1m (2014/15 £2.9m). The reserves policy sets a target for the income and expenditure reserve (available to manage variations in expenditure) equivalent to two months' normal expenditure, which amounts to £1.4m based upon the 2016/17 budget.

The total unrestricted funds net of our investment reserve is £4.7m (2014/15 £4.5m) which is £3.3m above the target.

### Investment policy

The broad objective of the investment policy is to utilise the funds to provide a source of income which, when taken together with the registration income, can provide sufficient money every year to enable Council to meet its objectives.

While investing net cash proceeds of the sale of property and funds needed after one year in long-term investments, we aim to maintain separate balances equivalent to two months' expenditure as a short-term cash reserve.

Trustees have the wide powers of investment outlined in the Trustee Act 2000, which includes the power to delegate some responsibilities to an investment manager. We have appointed Brewin Dolphin as investment advisers to ensure we can make best use of the proceeds for future financial stability. The investment officer (Director of Resources) continues to manage the short-term cash reserve and liaise with the investment managers in respect of the investment strategy.



## Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards), including Financial Reporting Standard 102, the financial reporting standard applicable in the UK and Republic of Ireland.

The law applicable to charities in England and Wales 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 charity and of the income and expenditure of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities ;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the charitable company will continue on that basis.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Each of the trustees, who held office at the date of approval of this trustees' report, has confirmed that there is no information of which they are aware which is relevant to the audit but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are made aware of such information.

Approved by the trustees on 16 November 2016, and signed on their behalf by

**Gareth Hadley**  
Chair of the GOC



## Independent auditor's report to the trustees of the General Optical Council

We have audited the financial statements of the GOC for the year ended 31 March 2016 which comprises specifically the titles of the primary statements such as the statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable by law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, the financial reporting standard applicable in the UK and Republic of Ireland.

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditor

As explained more fully in the trustees' responsibilities statement set out on page 46, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that act. 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 Republic of Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2016, and of its net movement in funds, 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 Charities Act 2011 and the Optician Act 1989 (as amended).

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the trustees' annual report is inconsistent in any material respect with the financial statements;
- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**haysmacintyre**  
Statutory Auditor

26 Red Lion Square  
London  
WC1R 4AG

Date:

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.



## Statement of financial activities

For the year ended 31 March 2016

	Notes	Unrestricted funds	Total £ 2015/16	Total £ 2014/15
<b>Incoming from</b>				
Donations and legacies	2	-	-	4,728
Charitable activities	3	7,434,976	7,434,976	6,766,037
Other trading activities		477	477	6,150
Investments	4	50,508	50,508	49,551
Other income			-	
Gain in disposal of 41 Harley Street	19	53,484	53,484	5,913,680
Other	5	25,057	25,057	53,939
<b>Total incoming resources</b>		<b>7,564,502</b>	<b>7,564,502</b>	<b>12,794,085</b>
<b>Expenditure on</b>				
Raising Funds	12	11,751	11,751	-
Charitable activities	6	7,540,945	7,540,945	6,465,243
<b>Total resources expended</b>		<b>7,552,696</b>	<b>7,552,696</b>	<b>6,465,243</b>
Net gains / (losses) on investments	12	108,557	108,557	-
<b>Net income / expenditure</b>		<b>120,363</b>	<b>120,363</b>	<b>6,328,842</b>
<b>Reconciliation of funds</b>				
Total funds brought forward		9,044,870	9,044,870	2,716,028
<b>Total funds carried forward</b>		<b>9,165,233</b>	<b>9,165,233</b>	<b>9,044,870</b>

There are no recognised gains or losses other than those recognised above.  
All activities are continuing.

Of all the activities in 2015, £4,728 of income and expenditure was restricted.  
All other transactions were unrestricted.



## Balance sheet

For the year ended 31 March 2016

	Notes	2015/16 £	2014/15 £
<b>Fixed assets</b>			
Tangible fixed assets	11	1,775,032	621,191
Investments	12	8,751,591	-
<b>Total fixed assets</b>		<b>10,526,623</b>	<b>621,191</b>
<b>Current assets</b>			
Debtors	13	520,803	7,392,408
Short term deposits		5,675,000	4,725,568
Cash at bank and in hand		1,392,137	4,490,157
		<b>7,587,940</b>	<b>16,608,133</b>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	14	(8,949,330)	(8,184,454)
<b>Net current assets</b>		<b>(1,361,390)</b>	<b>8,423,679</b>
<b>Total assets less current liabilities</b>		<b>9,165,233</b>	<b>9,044,870</b>
<b>Net assets</b>		<b>9,165,233</b>	<b>9,044,870</b>
<b>Represented by</b>			
<b>Unrestricted funds:</b>			
Designated funds	15	6,011,926	6,123,264
General funds	15	3,153,307	2,921,606
<b>Total funds</b>		<b>9,165,233</b>	<b>9,044,870</b>

The accounting policies and notes on pages 45 to 55 form part of these accounts.

The financial statements were approved and authorised by the Council on 16 November 2016 and were signed on its behalf by:

**Gareth Hadley**  
Chair of the GOC



## Cash flow statement

For the year ended 31 March 2016

	2015/16 £	2014/15 £
<b>Cash flows from operating activities</b>		
<b>Reconciliation of net income / (expenditure) to net cash flow from operating activities:</b>		
Net income / expenditure for the reporting period (as per the statement of financial activities)	120,363	6,328,842
Depreciation	331,605	207,839
Loss on disposal of fixed assets	10	-
(Gains) / losses on investment income	(108,557)	-
Dividends, interest and rents from investments	(50,508)	(49,551)
(Increase)/decrease in asset held for sale	-	682,794
(Increase)/decrease in debtors	6,871,605	(7,218,215)
Increase/ (decrease) in creditors	766,012	883,780
<b>Net cash provided by (used in) operating activities</b>	<b>7,930,530</b>	<b>835,489</b>
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	50,508	49,551
Purchase of tangible fixed assets	(1,485,456)	(90,511)
Movement in short term deposit account	(950,568)	1,834,432
Cash held in investment	(4,331,848)	-
Purchase of Investments	(4,311,186)	-
<b>Net cash provided by (used in) investing activities</b>	<b>(11,028,550)</b>	<b>1,793,472</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>(3,098,020)</b>	<b>2,628,961</b>
Cash and cash equivalents at the beginning of the reporting period	4,490,157	1,861,196
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,392,137</b>	<b>4,490,157</b>
<b>Cash at bank and in hand</b>		
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,392,137</b>	<b>4,490,157</b>



## Notes to the financial accounts for the year ended 31 March 2016

### 1. Accounting policies

The principle accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

The financial statements have been prepared in accordance with accounting and reporting by Charities SORP, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102, effective 1 January 2015), Charities SORP FRS 102, and the Charities Act 2011.

We are required to submit the accounts to the Privy Council who lay them before Parliament.

The GOC meets the definition of a public benefit entity under FRS 102.

#### Going concern

The trustees (Council members) consider there are no material uncertainties about the charity's ability to continue as a going concern. With respect to the next reporting period, 2017, the most significant areas of uncertainty that affect the carrying assets held by the charity are the level of investment return and the performance of the investments markets (see the investment policy and the risk management sections of the Council members' annual report for more information). The review of our financial position, reserves levels and future plans gives Council members' confidence that guarantee the charity remains a going concern and the financial statements have been prepared on a going concern basis.

#### Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the Council members have considered whether, in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, the restatement of comparative items was required. No restatements were required.

The opening fund balances at the date of transition have not been restated due to an immaterial amount arising from a liability for holiday pay. No restatement of items has been required in making the transition to FRS 102. The transition date was 1 April 2014.

#### (i) INCOME

All income is recognised. Once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably. Our income mainly comprises fees from registered optometrists, dispensing opticians and bodies corporate. Fees charged for annual retention are payable in advance between January and March each year and are recognised in the period to which they relate.

We also receive registration fees from students, which are payable for the year or period ending 31 August in line with

the academic year and credited in the accounts for the year to which they relate.

Investment income is recognised when interest or dividends fell due and is stated gross of recoverable tax.

Sales and other income are recognised when the related goods or services are provided.

#### (ii) RESOURCES EXPENDED

Resources are expended directly in pursuit and support of the charitable aims. Expenditure on charitable activities comprises of FTP, legal compliance, registration and education and standards related cost. Expenditure is recognised on an accruals basis as a liability is incurred.

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity is apportioned based on staff time attributable to each activity.

Support costs include governance costs and other support costs. Governance costs include those incurred in the governance of the organisation and its assets and are primarily associated with constitutional and statutory requirements. Costs include direct costs of external audit, legal fees and other professional advice.

Support costs have been apportioned between all activities based on staff head counts. The allocation of support and governance costs is analysed in note 7.

#### (iii) FINANCIAL INSTRUMENTS

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

#### (iv) RECOGNITION OF LIABILITIES

Resources expended are included in the statement of financial activities on an accruals basis. All liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to expenditure.

#### (v) FIXED ASSETS

Tangible fixed assets are stated at cost, net of depreciation.

Expenditure is capitalised where the cost of the asset, or group of assets, exceeds £500. Website planning costs are charged to the statement of financial activities as incurred. Other website costs are capitalised as a fixed asset only where they lead to the creation of an enduring asset delivering tangible future benefits whose value is at least as great as the amount capitalised.

An impairment review is undertaken of the net asset value of the website at each balance sheet date. Expenditure to maintain or operate the development website is charged to the statement of financial activities



### (vi) DEPRECIATION

Assets are depreciated in equal instalments over the following periods:

IT equipment	3 years
Website/intranet/online retention	3 years
Office furniture and equipment	10 years
Leasehold improvements (office fit-out)	Over the lease term (15 years)

Depreciation is provided so as to write off the cost, less residual value, of the assets evenly over their estimated useful lives.

### (vii) INVESTMENTS

Investments are a form of basic financial instruments and are initially shown in the financial statements at their transaction value and subsequently measured at their fair value as at the balance sheet date. Movements in the fair values of investments are shown as unrealised gains and losses in the statement of financial activities.

Investments comprise shares, funds, cash or deposits held as investments. The investments are limited to cash in instant access or term deposits, and permitted investments in line with the investment policy approved by Council in July 2015.

### (viii) TAXATION

As a registered charity we are exempt from tax on income and gains falling within sections 478-489 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that these are applied to its charitable objects.

We are not registered for VAT and VAT on expenditure is expensed as part of the cost of the goods or services supplied.

### (ix) DEBTORS

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### (xi) CASH AT BANK AND IN HAND

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### (xii) CREDITORS AND PROVISIONS FOR LIABILITIES

Creditors and provisions are recognised when the charity has a present legal or constructive obligation as a result of a past event. They are recognised when it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the obligation.

Where a present obligation exists for FTP cases as a result of a past event and estimate can be made of the obligation, then this is provided for. The accuracy of the provision will depend on the assumptions made about the progress of individual cases and is subjected to a significant degree of uncertainty.

### (xiii) OPERATING LEASES

The annual rentals are charged to the statement of financial activities over the term of the lease.

### (xiv) FUNDS AND RESERVES

All of our funds are unrestricted, and can be expended at our discretion to help deliver our objectives.

We have set designated funds aside as follows:

- *Strategic Reserve* – earmarked to fund specific 'spend to save' projects;
- *Legal Costs Contingency Reserve* – established to provide for unrecoverable legal costs that meet the criteria set out in the reserves policy;
- *Special Reserve* – established to meet the cost of providing in-year resourcing and in delivery of the reward project; and
- *Investment Reserve* – established to deal with the investment of proceeds from the sale of the property at 41 Harley Street.

### (xv) EMPLOYEE BENEFITS

- **Short-term benefits**  
Short-term benefits, including holiday pay, are recognised as an expense in the period in which the service is received.
- **Employee termination benefits**  
Termination benefits are accounted for on an accrual basis and in line with FRS 102.
- **Pension scheme**  
Council contributes to a defined contribution pension scheme for the benefit of its employees under an auto-enrolment scheme, the assets of which are administered by Royal London. The assets of the scheme are held independently from those of the Charity in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the year.

### (xvi) JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. The trustees consider the following item to be an area subject to estimation and judgement.



#### Depreciation:

The useful economic lives of tangible fixed assets are based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively. As tangible fixed assets are not significant, variances between actual and estimated useful economic lives will not have a material impact on the operating results. Historically no changes have been required.

### 2. Donations and legacies

In 2015 an income of £4,728 (2016 nil) was recognised under donations and legacies as restricted income. The income was a revalidation scheme grant received from the Department of Health. The grant was fully utilised in support of the ongoing development of a risk proportionate system of continued FTP as and when the related expenses were incurred.

	2015/16 £	2014/15 £
<b>3. Income from charitable activities</b>		
Annual renewal fee	7,100,311	6,450,794
Registration fee	317,091	303,632
Continuing Education Training provider	17,574	11,611
<b>Total</b>	<b>7,434,976</b>	<b>6,766,037</b>

	2015/16 £	2014/15 £
<b>4. Income from Investment</b>		
Interest from fixed deposits	25,853	49,551
Dividend income	24,655	-
<b>Total</b>	<b>50,508</b>	<b>49,551</b>

Dividend income is due to our investment of £8.8m in long-term investments. (Note 12).

	2015/16 £	2014/15 £
<b>5. Other incoming resources</b>		
Staff secondments	25,057	26,526
Fines	-	1,500
Corporation tax rebate	-	25,913
<b>Total</b>	<b>25,057</b>	<b>53,939</b>



	<b>Direct Cost £</b>	<b>Support Cost £</b>	<b>Total 2015/16 £</b>	<b>Total 2014/15 £</b>
<b>6. Charitable activities</b>				
Fitness to Practise including Legal Compliance (Note 6a.)	2,556,181	1,031,554	3,587,735	3,056,790
Registration	866,315	631,643	1,497,958	1,323,497
Education & standards	1,068,569	479,347	1,547,916	1,399,669
Policy	318,063	222,686	540,749	374,265
Communications	194,184	172,403	366,587	311,022
<b>Total</b>	<b>5,003,312</b>	<b>2,537,633</b>	<b>7,540,945</b>	<b>6,465,243</b>

The following table details the FTP costs.

	<b>2015/16 £</b>	<b>2014/15 £</b>
<b>6a. Fitness to Practise including Legal Compliance</b>		
Legal fees on investigations	586,631	756,734
Other investigation costs	927,850	607,898
Hearing costs	732,639	807,108
Dispute mediation	149,000	168,366
Legal compliance	160,061	76,353
Support costs	1,031,554	640,331
<b>Total</b>	<b>3,587,735</b>	<b>3,056,790</b>



	Management £	Governance £	Facilities £	HR £	Finance £	IT £	2015/16 Total £	Re-stated 2014/15 Total £
<b>7. Support costs</b>								
Fitness to Practise	147,288	262,972	295,803	129,326	21,886	174,279	1,031,554	640,331
Registration	90,189	161,023	181,126	79,189	13,401	106,715	631,643	700,279
Education and Standards	68,442	122,199	137,455	60,096	10,170	80,985	479,347	413,508
Policy	31,796	56,769	63,856	27,918	4,725	37,622	222,686	153,388
Communications	24,617	43,950	49,437	21,614	3,658	29,127	172,403	150,640
<b>Total</b>	<b>362,332</b>	<b>646,913</b>	<b>727,677</b>	<b>318,143</b>	<b>53,840</b>	<b>428,728</b>	<b>2,537,633</b>	<b>2,058,146</b>

Governance cost includes fees and expenditure incurred in relation to Council and the committees, external and internal audit fees and staff cost related to supporting the governance activities. Support cost is allocated to different activities on the basis of staff numbers.

The details of the governance cost included under support cost are as follows.

	2015/16 £	2014/15 £
<b>Governance costs</b>		
Members' fees and expenses	288,126	273,422
Staff cost	296,196	249,722
External audit fees	17,856	15,516
Internal audit fees	24,407	28,215
Other governance cost	20,328	-
<b>Total</b>	<b>646,913</b>	<b>566,875</b>

Members fees and expenses include Council (trustees) and committee members.

	2015/16 £	2014/15 £
<b>8. Net incoming resources for the year are stated after charging</b>		
Fees paid to external auditors – haysmacintyre:		
external audit fee (excl VAT)	14,880	12,930
taxation advice	3,000	9,540
Internal audit fees	24,407	28,215
Depreciation of fixed assets	331,605	207,839



	2015/16 £	2014/15 £
<b>9. Staff costs</b>		
<b>Staff employment costs:</b>		
Salaries	2,243,584	2,120,560
National Insurance	239,379	221,131
Pension costs	167,024	150,201
<b>Total</b>	<b>2,649,987</b>	<b>2,491,892</b>

	2015/16	2014/15
<b>Average number of staff</b>		
Chief Executive's office	2	2
Management team	5	5
Fitness to Practise	12	8
Registration	9	10
Education & Standards	6	5
Policy and communications	5	4
Governance	6	5
Resources (Facilities, HR, Finance and IT)	9	11
<b>Total</b>	<b>54</b>	<b>50</b>

The number of staff whose taxable emoluments fell into higher salary bands was:	2015/16	2014/15
£60,000 but under £70,000	2	4
£70,000 but under £80,000	1	2
£80,000 but under £90,000	-	1
£90,000 but under £100,000	1	2
£100,000 but under £110,000	1	-
£110,000 but under £120,000	1	-

During the year, Council paid £44,019 for five members of staff in this category (2014/15 £55,105 for eight members of staff) to a defined contribution pension scheme. The trustees (Council members) consider the SMT to be key management. The trustees are also paid fees and reimbursed expenses for their travel and subsistence. The details are in note 10. No amounts are paid directly to third parties that are not already disclosed in note 10.



Remuneration and benefits received by key management personnel (SMT) are as follows:

	2015/16 £	2014/15 £
<b>Key management personnel</b>		
Gross pay	384,390	350,680
Employer pension contributions	37,424	35,068
Benefits	9,944	14,840
<b>Total</b>	<b>431,758</b>	<b>400,588</b>

	Fees £	Fees with VAT £	Expenses £	Total £ 2015/16	Total £ 2014/15
<b>10. Trustees' expenses</b>					
Peter Douglas	13,000	13,000	349	13,349	12,286
Morag Alexander*				-	13,026
Paul Carroll	13,000	13,000	2,074	15,074	13,261
Liam Kite	13,000	13,000	674	13,674	13,275
James Russell*				-	9,028
Fiona Peel	13,000	13,000	1,453	14,453	13,286
Rob Hogan**	9,750	11,700	3,125	14,825	15,345
Brian Coulter	16,000	16,000	4,251	20,251	15,592
Selina Ullah	13,000	13,000	2,793	15,793	13,256
Gareth Hadley	40,000	40,000	496	40,496	38,948
Helen Tilley	13,000	13,000	5,168	18,168	14,051
Scott Mackie**	13,000	15,600	4,011	19,611	15,725
Glen Tomison	13,000	13,000	2,711	15,711	4,546
Rosie Glazebrook	13,000	13,000	173	13,173	3,043
David Parkins ***	560	560	-	560	-
<b>Total</b>	<b>183,310</b>	<b>187,860</b>	<b>27,278</b>	<b>215,138</b>	<b>194,668</b>

<b>Number of trustees</b>	<b>13</b>	<b>14</b>
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Opticians Act 1989, schedule 1 of the act, paragraph 11 (2) b allows us to pay fees to trustees for attending Council meetings. In 2015, fees totalled £173,000 (with VAT £176,000). The reimbursement of expenses totalled £18,668.

\* Morag Alexander and James Russell were leavers in 2014/15.

\*\* Scott Mackie and Rob Hogan are paid fees via the purchase ledger and charge VAT on their fees. Rob Hogan's terms of office concluded on 31 December 2015.

\*\*\* David Parkins was appointed on 15 March 2016.



	Office, furniture and equipment £	Refurbishment £	IT hardware £	IT software £	Assets under construction – CRM £	Total £
<b>11. Tangible fixed assets</b>						
At 1 April 2015	616	-	192,610	1,246,772	53,998	1,493,996
Add: Cost of additions	266,435	1,057,510	89,377	-	72,134	1,485,456
Less: Disposals	(10)	-	-	-	-	(10)
Transfers	-	-	-	72,872	(72,872)	-
<b>Total at 31 March 2016</b>	<b>267,041</b>	<b>1,057,510</b>	<b>281,987</b>	<b>1,319,644</b>	<b>53,260</b>	<b>2,979,442</b>
<b>Less: Depreciation</b>						
At 1 April 2015	(11)	-	(165,162)	(707,632)	-	(872,805)
Charged in the year	(8,957)	(24,593)	(23,978)	(274,077)	-	(331,605)
Disposals	-	-	-	-	-	-
<b>Total at 31 March 2016</b>	<b>(8,968)</b>	<b>(24,593)</b>	<b>(189,140)</b>	<b>(981,709)</b>	<b>-</b>	<b>(1,204,410)</b>
<b>Net book value 31 March 2016</b>	<b>258,073</b>	<b>1,032,917</b>	<b>92,847</b>	<b>337,935</b>	<b>53,260</b>	<b>1,775,032</b>
<b>Net Book Value 31 March 2015</b>	<b>605</b>	<b>-</b>	<b>27,448</b>	<b>539,140</b>	<b>53,998</b>	<b>621,191</b>

	2015/16 £	2014/15 £
<b>12. Investment</b>		
Investments b/f	-	-
Additions	4,311,186	-
Disposals	-	-
Realised gains	-	-
Unrealised gains	108,557	-
Investments c/f	4,419,743	-
Cash	4,331,848	-
<b>Total portfolio</b>	<b>8,751,591</b>	<b>-</b>

A total of £8,630,000 of cash was introduced into the overall portfolio during the year, of which £4,311,186 was used to purchase listed investments.

Total portfolio includes cash held with equity managers.

During the year, £11,751 was incurred as investment management fees and has been disclosed on the Statement of Financial Activities as raising funds.



	2015/16 £	2014/15 £
<b>13. Debtors</b>		
Trade debtors	36,954	24,976
Prepayments	132,449	112,064
Sales proceeds receivable on property (Note 25)	-	6,875,913
Other debtors	349,648	363,865
Accrued income	1,752	15,590
<b>Total</b>	<b>520,803</b>	<b>7,392,408</b>

	2015/16 £	2014/15 £
<b>14. Creditors: Amounts falling due within one year</b>		
Other creditors	323,830	231,933
Deferred income (note 14a)	7,371,562	6,959,538
Accruals	1,163,803	722,204
Other tax and social security	88,094	76,496
Provision for Income Tax	-	180,000
Other creditors - finance lease	2,041	14,283
<b>Total</b>	<b>8,949,330</b>	<b>8,184,454</b>

Accruals include rent accrual amounting to £511,725 (2015 nil).

The provision for income tax is related to the sale of property. During the year, income tax of £44,000 was calculated and paid. Balance of provision was written off.

Income from registrant retention fees is deferred and released as income over the period to which the income relates.

	2015/16 £	2014/15 £
<b>14a. Deferred income</b>		
At 1 April	6,959,538	6,324,063
Amount deferred during the year	7,371,562	6,959,538
Amount released to Statement of Financial Activities	(6,959,538)	(6,324,063)
<b>Total</b>	<b>7,371,562</b>	<b>6,959,538</b>



	Balance brought forward £	Income £	Expenditure £	Transfers £	Balance carried forward £
<b>15. Funds</b>					
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Legal cost contingency reserve	500,000	-	(7,546)	7,546	500,000
Strategic reserve	751,264	-	(265,612)	150,000	635,652
Designated resources reserve	322,000	-	(133,726)	250,000	438,274
Investment reserve	4,550,000	-	-	(112,000)	4,438,000
<b>Total designated funds</b>	<b>6,123,264</b>	<b>-</b>	<b>(406,884)</b>	<b>295,546</b>	<b>6,011,926</b>
<b>General funds</b>					
Income and expenditure reserve	2,921,606	7,673,059	(7,145,812)	(295,546)	3,153,307
<b>Total funds</b>	<b>9,044,870</b>	<b>7,673,059</b>	<b>(7,552,696)</b>	<b>-</b>	<b>9,165,233</b>

The legal contingency reserve is our best estimate of the consequences of unrecoverable legal costs in either FTP or high court proceedings. The strategic reserve has been designated for 'spend to save' projects. Spending on all designated reserves was in line with our plans. £8k was transferred from our income and expenditure reserve to our legal cost contingency reserve, in order to maintain the reserve at £500k. A further £250k was transferred from the current year surplus funds for in-year resourcing requirements and projects.

The reserve for investments was created from the net proceeds receivable from the sale of the 41 Harley Street property. This sum is included in investments, invested using a longer-term investment strategy.

	Restricted funds £	Unrestricted funds £	Total 2015/16 £	Total 2014/15 £
<b>16. Analysis of net assets by fund</b>				
Tangible fixed assets	-	1,775,032	1,775,032	621,191
Current assets	-	7,587,940	7,587,940	16,608,133
Current liabilities	-	(8,949,330)	(8,949,330)	(8,184,454)
<b>Total net assets</b>	<b>-</b>	<b>413,642</b>	<b>413,642</b>	<b>9,044,870</b>



### 17. Pension commitments

We operate a defined contribution auto-enrolment pension scheme on behalf of certain employees. The assets of the scheme are held separately from those of Council in an independently administered fund. The total expense incurred during the year was £167,024 (2015/14 £150,201). There were £20,198 in outstanding contributions in 2016, (2015/14 £19,326) included in the balance sheet. During the year the scheme staged the automatic enrolment which contributes to the higher levels of pension related values.

### 18. Commitments under operating leases

At 31 March 2016, the charity had the following future lease payments under operating leases.

	2015/16 £	2014/15 £
<b>Land and buildings</b>		
Within one year	620,273	325
In two to five years inclusive (see Note 19)	2,481,091	620,273
Over five years	5,117,249	-

	2015/16 £	2014/15 £
<b>Office Equipment lease</b>		
Within one year	18,411	-
In two to five years inclusive	43,368	6,618

The total charge of all operating leases to the statement of financial activities as at 31 March 2016 was £575,361 (2015 £6,943).

### 19. Property

We moved to the new offices in 10 Old Bailey during the year, after surrendering the long lease on previous office premises in Harley Street. We received £53k of interest income for the time taken for completion of the surrender.

The new office building is on an operating lease for 15 years (note 18). The move to the new building provides modern working environment, helps our staff to work more effectively together, allows us to improve our IT infrastructure and be more accessible, especially for wheelchair users and people with sight loss. It also provides us space to conduct more of our activities in-house such as Council meetings, meetings with stakeholders, training, public events and hearings.

### 20. Related party transactions

During the year, the members of Council were paid for the attendance of Council meetings and related expenditure through Council payroll (refer to note 10 for details).

In addition to Council related payments, the following Council members were involved in related parties with which the GOC had the following transactions during the year:

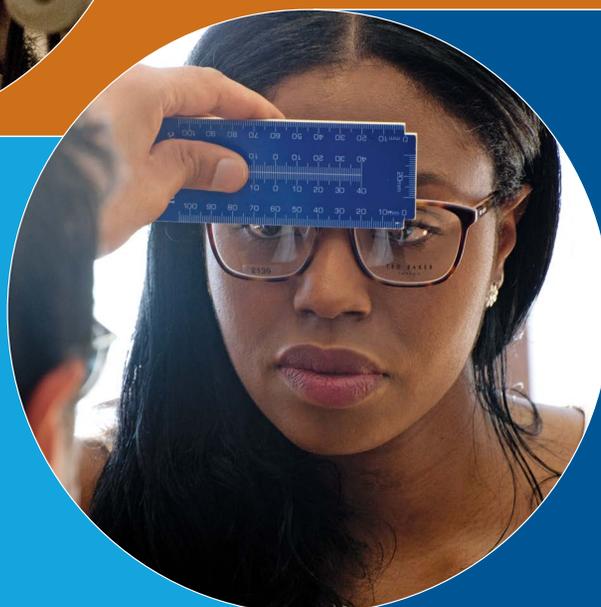
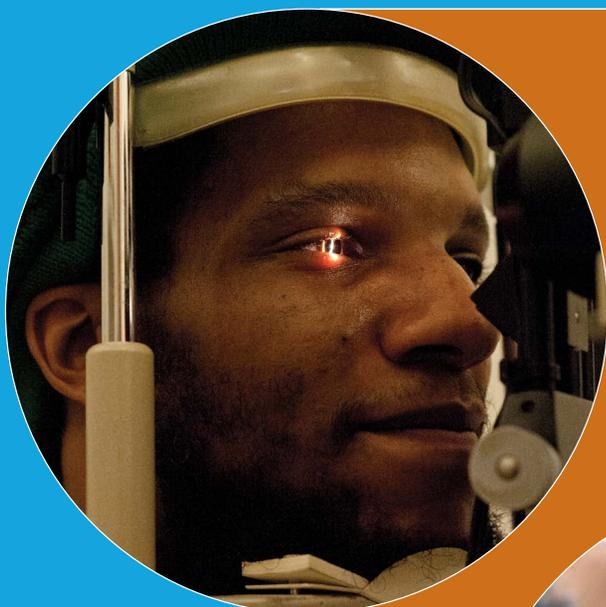
- Scott Mackie provided services as a CET provider. During the year, we paid Scott £4,336 for services as a CET provider. Scott's spouse and business partner, Dr Roisin Mackie also provided CET services as a CET provider. During the year we paid her £5,328.
- David Parkins' spouse, Dr Susan Blakeney is a case examiner. During the year we paid Susan £10,089 in fees for her services.

# Glossary of Terms

Acronym or title	Full name or description
ASA	<b>Advertising Standards Authority</b> The UK's independent regulator of advertising across all media.
Body corporate	A body corporate is a limited company or limited liability partnership that has been incorporated with Companies House. Bodies corporate registered with the GOC are known as business registrants.
Business registrant	A business registrant is a body corporate that has registered with the GOC.
CET	<b>Continuing Education and Training</b> Training that our registrants must do to keep their skills and knowledge up to date.
CLO	<b>Contact Lens Optician</b> A person who assesses suitability of, and provides for, the supply of contact lens.
CRM	<b>Customer Relationship Management</b> Software for managing our interactions with our past, current and future stakeholders.
Dispensing optician (DO)	A person who fits and supplies optical appliances including low vision aids.
DPA	<b>Data Protection Act</b> The DPA regulates the processing of information relating to individuals, including the obtaining, holding, use or disclosure of such information.
FoI	<b>Freedom of Information</b> Freedom of information laws allow access by the general public to data held by national governments and public bodies.
FSA	<b>Financial Services Authority</b> The regulator of all providers of financial services in the UK. The FSA was replaced by the Financial Conduct Authority (FCA) on 1 April 2013.
FTP	<b>Fitness to Practise</b> A registrant's ability to carry out their professional duties as outlined in the Opticians Act 1989.
GMC	<b>General Medical Council</b> The regulatory body for doctors in the UK.
GOC	<b>General Optical Council</b> The regulatory body for optometrists, dispensing opticians, student opticians and optical businesses in the UK.
GOsC	<b>General Osteopathic Council</b> The regulatory body for osteopaths in the UK.
HCPC	<b>Health Care Professions Council</b> The regulatory body for the fifteen healthcare professions not covered by their own regulator in the UK, and social workers in England.
HR	<b>Human Resources</b>
IC	<b>Investigation Committee</b> A GOC committee which investigates allegations about registrants.
ICO	<b>Information Commissioner's Office</b> The office responsible for the enforcement of the Data Protection Act 1998, and also responsible for freedom of information.



Acronym or title	Full name or description
IP	<b>Independent prescriber</b> A speciality open to optometrists only. Independent prescribing enables optometrists to clinically assess a patient, establish a diagnosis, determine the clinical management required and prescribe where necessary.
Law Commission(s)	The statutory independent body created by the Law Commissions Act 1965 to keep the law under review and to recommend reform where it is needed. The aim of the commission is to ensure that the law is fair, modern, simple and as cost effective as possible.  There are three law commissions: one in England and Wales, one in Scotland and one in Northern Ireland.
Lay member	In the GOC's case, a lay member is a member of Council or one of its committees who does not hold an optical qualification.
OCCS	<b>Optical Consumer Complaints Service</b> The GOC-funded body which deals with complaints relating to issues (refunds, broken glasses etc.) that do not call an optician's FTP into question.
Optometrist	A person who tests your sight and can diagnose eye conditions. They can also fit and supply spectacles, low vision aids and contact lenses.
PCI	<b>Payment Card Industry</b> The Payment Card Industry Data Security Standard (PCI DSS) is a set of requirements designed to ensure that all companies that process, store or transmit credit card information maintain a secure environment.
Privy Council	The part of Her Majesty's Government which advises on the exercise of prerogative powers and certain functions assigned to the Queen and Council by act of Parliament.
Protected title	Titles legally reserved for use by GOC registrants. Protected titles are: (registered) optometrist, (registered) dispensing optician, registered ophthalmic optician and (registered) optician(s).
PSA	<b>Professional Standards Authority for Health and Social Care</b> Oversees the work of the GOC and the eight other UK healthcare regulators.
Registrant member	A member of the GOC (or its committees) who holds an optical qualification and whose name appears on the GOC register.
SCM	<b>Senior Council Member</b> Acts as a sounding board for the Chair of Council, serves as an intermediary for other Council members and formally manages the appraisal of the Chair's performance annually.
SMT	<b>Senior Management Team</b> The GOC's SMT comprises the Chief Executive and Registrar, the Director of Resources, the Director of Strategy and the Director of Fitness to Practise.
SORP	<b>Statement of Recommended Practice</b> Provides recommendations for accounting and reporting.
Trustee	A member of a charity's board or management committee. In the GOC's case, its trustees are its twelve Council members.
UK Corporate Governance Code	Sets out standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders.



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The GOC is a charity registered in England and Wales (1150137)