



GENERAL OSTEOPATHIC COUNCIL

Annual Report and Accounts

year to 31 March 2005



NIGEL CLARKE
Chairman



JOHN CHUTER OBE
Treasurer



MADELEINE CRAGGS
Chief Executive and Registrar

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The General Osteopathic Council provides for the regulation of the profession of osteopathy, to protect patients, to develop the osteopathic profession and to promote an understanding of osteopathic care.

Legal and administrative information

The General Osteopathic Council

Current Committee
Membership
(as at 19 July 2005)

Patron	HRH The Prince of Wales KG KT GCB	
Chairman	Mr Nigel Clarke BA (Hons)	e, f&gp, iac, rc
Treasurer	Mr John Chuter OBE	f&gp, i, rc
Lay Members, appointed by Privy Council	Mrs Fionnuala Cook OBE Professor Adrian Eddleston DM FRCP Professor Ian Hughes PhD MILTHE Miss Anne Jones BA (Hons) Mr Andrew Popat CBE Mr Paul Sommerfeld MA	i, c, p&ce, s32 a, h e, h e, f&gp, pc, rc, s32 pc, p&ce i, f&gp, c, iac, p&ce, rc
Osteopathic Members	Mr Robert Burge ADO DO Miss Kathryn de Fleury BSc (Hons) <i>(elected September 2004)</i> Mrs Catherine Hamilton-Plant DO Mrs Jane Langer DO Mr Brian McKenna DO Mrs Rachel Pointon BA (Hons) DO <i>(elected September 2004)</i> Mr Robin Shepherd DO Mrs Rosalind Stuart-Menteth DO Mr Ian Swash MSc DO DipEd FRSH Miss Fiona Walsh DO Mr Nicholas Woodhead DO Dr Leslie Wootton MRCS LRCP DO	i, f&gp, rc pc i, c, p&ce, s32 e, c, s32 e, h, c i i, c, iac e, pc, s32 i, f&gp, rc a, e, p&ce, iac, h a, e, h e, pc
Education Members	Dr Stephen Barasi PhD MHEA <i>(appointed March 2005)</i> Mr Manoj Mehta BSc (Hons) Ost Med DO Miss Sarah Wallace DO <i>(resigned October 2004)</i> Ms Margaret Wolff BA (Hons) PGCE ILTM	e, h e, pc e, pc
Secretary of State Appointee	Professor Trudie Roberts BSc (Hons) MB ChB PhD FRCP	e
Statutory Committees	e – Education Committee h – Health Committee i – Investigating Committee pc – Professional Conduct Committee	

Current Committee Membership
(as at 19 July 2005)

Members co-opted to Committees

Ms Jillian Alderwick	h
Mr Barry Baines (<i>resigned July 2004</i>)	
Dr Stephen Barasi (<i>term ended December 2004</i>)	
Ms Victoria Baron	pc
Mr Martin Booth (<i>appointed April 2005</i>)	i
Dr Katharine Boursicotm (<i>appointed May 2005</i>)	e
Mr Michael Boyall (<i>appointed February 2005</i>)	pc
Mr John Cadywould (<i>appointed February 2005</i>)	h
Mr Paul Cairns (<i>appointed April 2005</i>)	i
Mr Paul Coleman	rc
Mr John Dennison (<i>appointed September 2004</i>)	a
Mr Simon Fielding	iac
Mr David Hamilton-Rump (<i>appointed February 2005</i>)	i
Mr David Higham (<i>appointed February 2005</i>)	p&e
Mr John Hodgson (<i>term ended December 2004</i>)	
Ms Tracey Huckfield (<i>appointed February 2005</i>)	pc
Mrs Mary Lawrence (<i>appointed September 2004</i>) (<i>resigned July 2005</i>)	
Mr Christopher Liffen (<i>appointed February 2005</i>)	h
Mr Michael O'Neill (<i>appointed September 2004</i>)	a
Mr Martin Pendry	c
Mr Jonathan Poston (<i>appointed April 2005</i>)	h
Mr Anthony Pusey (<i>appointed April 2005</i>)	p&e
Mrs Nicola Renken (<i>appointed February 2005</i>)	i
Mr David Rodway	c
Mr Graham Sharman (<i>appointed April 2005</i>)	pc
Mr William Thomas (<i>appointed February 2005</i>)	p&e
Dr Andrew Thompson (<i>appointed May 2005</i>)	e
Ms Linda Wallace (<i>appointed February 2005</i>)	i
Mr Robert Wadsworth (<i>appointed April 2005</i>)	p&e
Mr David Wilson (<i>appointed February 2005</i>)	i
Mrs Judith Worthington	i

Non-Statutory Committees

a	– Audit Committee
c	– Communications Committee
f&gp	– Finance & General Purposes Committee
iac	– International Affairs Committee
p&e	– Practice and Ethics Committee
rc	– Remuneration Committee
s32	– Section 32 Committee

Legal and administrative information

Senior Management Team

Miss Madeleine Craggs, Chief Executive and Registrar
 Mr Vince Cullen, Head of Development
 Miss Gillian O'Callaghan, Head of Registration/MIS
 Mr David Simpson, Head of Legal Affairs
 Ms Brigid Tucker, Head of Communications

Principal office

Osteopathy House
 176 Tower Bridge Road
 London
 SE1 3LU

Telephone 020 7357 6655
 Facsimile 020 7357 0011
 Website www.osteopathy.org.uk

Auditors

Buzzacott
 12 New Fetter Lane
 London
 EC4A 1AG

Bankers

The Royal Bank of Scotland plc
 28 Cavendish Square
 London
 W1M 0DB

Report of the Council

year to 31 March 2005

The Council Members present their report together with the accounts of the General Osteopathic Council for the year ended 31 March 2005.

The accounts have been prepared in accordance with the accounting policies set out on page 28 of the enclosed accounts and comply with the requirements of the Osteopaths Act 1993.

Report of the Council *year to 31 March 2005*

Principal aims and objectives

The General Osteopathic Council was set up under the Osteopaths Act 1993 (the Act) to be the regulatory body for the profession of osteopathy. The Act also tasks Council with “making provision as to the registration of Osteopaths and as to their professional education and conduct; to make provision in connection with the development and promotion of the profession; and for connected purposes”.

All healthcare professionals practising under the title 'Osteopath' have either graduated from an accredited course of training (post 9 May 2000) or been individually revalidated. Continuing Professional Development (CPD) will be mandatory and osteopaths must complete the required hours each year (30) to retain their registration. Additionally, they must remain of good character and of good health and be appropriately insured to practise. Council's aim is to ensure that patients are protected by, and informed about, the safe and competent practice of osteopathy.

Activities

In pursuance of its remit to protect the public and maintain the reputation of the profession, the core activities of the Council, as given above, are divided for ease of management into the functions of Secretariat (encompassing all Council and Committee activity, Finance and Facilities), Registration and Management Information Systems (MIS), Legal Affairs (including Fitness to Practise), Development (formerly known as Education) and Communications. Close working between the Council Committees themselves and the supporting departments is essential to manage the overlap in activities between these functions.

Inclusion of the GOsC as one of the nine healthcare regulators overseen by the Council for

Healthcare Regulatory Excellence (CHRE) is a positive indication of the present standing of the profession.

The existence of CHRE has added another dimension to the work and activity of the GOsC, as CHRE seeks to promote excellence and consistency between the regulators. The Council Members and staff now network even more constructively with other healthcare regulators to ensure best practice in their operation which is subject to an annual performance review by CHRE.

Review of the year

Having moved through periods of start-up, transition, post-transition and consolidation activities, this year has been one of innovation. We have also had the satisfaction of seeing these projects and ideas come to fruition after months of development.

The October planning day of Council provided the opportunity for Members to review current business and priorities. The prudent management of the GOsC affairs throughout the early years had led to a reasonable 'surplus' of funds, now available for one-off initiatives to accelerate some of the strategic objectives. Council considered proposals that recognised the need for such spending to be of benefit to the profession, focusing on initial training, CPD, research and data gathering to assist with developing and promoting osteopathy. All these projects will benefit to some degree from this extra cash injection.

The Governance section and departmental reports give more detail of the activities surrounding the delivery of Council's strategic objectives.



Report of the Council *year to 31 March 2005*

Governance

Council has raised the profile of its corporate governance activity this year and reviewed the process by which it controls and directs Council's business. Members recognise that the key to good governance is having the right leadership, strategy and control structures in place to produce and sustain the delivery of Council's remit. In seeking to give confidence to all associated with, and relying on, the GOsC, Council has enhanced its governance, in particular by introducing two new committees.

The Remuneration Committee was established in June 2004, as a sub-group of the Finance & General Purposes Committee. The appointment of an independent co-opted member to the committee, with appropriate professional experience, ensures that best practice is met and that Council receives clear and proper advice on all matters relating to remuneration. This includes payment of Council Member expenses and staff benefits.

The second committee, established in the autumn of 2004, was Audit. The Council appointed three independent co-opted Members, again with related experience, to work with three Members of Council. This is in line with recommendations contained within the reports by Smith and Higgs on audit committee constitution and the role of non-executive directors. A move to 50% external representation and one lay member out of a committee of six was acknowledged by other regulatory bodies as being bold and leading edge in terms of best practice. The co-opted Members offer a wealth of experience in Management Consultancy, Management Accounting and Academia (finance and audit related matters) and have brought substantial benefit to the function.

The auditors' post-audit management letter will, for the first time, be subjected to scrutiny by the Audit Committee.

Another contribution to good governance, initiated by the Treasurer, was the development of a Risk Register. During the year, staff also participated in an inter-regulatory working group on risk management at which many ideas were shared and developed. It is expected that such collaboration will continue in the future.

In conjunction with these developments was the further enhancement to the Council Business Plan and the development of a change mechanism to ensure the plan is properly managed. Only changes recommended by a committee, which are approved in line with the mechanism, are allowable.

Council Members, in furtherance of their stance on openness and transparency, also agreed to increase the number of co-opted Members on the Fitness to Practise committees and to advertise in the national press for these appointments. In the early part of 2005, the Council received over 135 applications to fill these positions. It is expected that the independent Members will enhance these committees, as with Remuneration and Audit.

Secretariat

The focus of the Secretariat's output has been to assist with the delivery of Council's improved governance arrangements as detailed above. Additionally, the key objectives of the Secretariat in the Council's Business Plan are:

- a** To manage the GOsC and to hold responsibility for all financial and facility controls, human resources, management information systems, and adherence to the spirit of the Act.

- b** To ensure that the organisation is compliant with applicable legislation and best practice.
- c** To enhance the organisation's effectiveness and relevancy within the healthcare arena.
- d** To ensure that the Council has the necessary tools to enable it to operate efficiently, in the public interest and to satisfy its governance requirements.

The achievements detailed elsewhere in this report, along with the sound financial health of the organisation, set out in the accounts, reflect the efforts put into meeting the Secretariat's key objectives.

Staffing

In recognition of the contribution made by its valuable staff resource, and in line with its retention and recruitment policies, Council agreed to maintain the existing level of benefits. Nonetheless, a diligent employer needs periodically to check its position in the market place in order to maintain its staff costs at appropriate levels and to correct any imbalance in over or underpayments. A benchmarking exercise was therefore undertaken by an external consultant. The indications are that Council is broadly in line with its stated objective to pay towards the upper quartile. Adjustments required will be in line with the budgeted figure.

Staff development is also a cornerstone of Council's retention policy, and achieving additional qualifications of benefit to the organisation is encouraged, through time off for learning and an appropriate contribution to costs (£13,500 in the year under report). Several members of staff also gained additional professional and vocational qualifications.

Osteopathy House has been maintained to a high standard with the minimum of disruption and without excessive expenditure. In the reporting year the Administration & Establishment costs were c£239,000, a reduction of 10% on the previous year.

Legal Affairs (including Fitness to Practise)

Initiatives have been implemented to improve efficiency in investigation and prosecution of complaints, such as providing expert assistance to complainants in drafting complaint statements. New lawyers have been instructed to prosecute Fitness to Practise complaints in order to lower legal costs and improve lawyers' availability. A first draft of Indicative Sanctions Guidance has been produced to assist the Professional Conduct Committee (PCC)/Health Committee (HC) reach consistent and proportionate decisions, and training has been given to the Investigating Committee (IC) to encourage consistency of decision making.

The number of formal complaints received by the Council about osteopaths' Fitness to Practise has slightly increased this year. The IC sat on six occasions and considered a total of 28 cases – four more than last year. Of these, 11 cases were referred to the PCC.

The PCC considered three cases where it was alleged that the osteopaths had been guilty of unacceptable professional conduct. In two cases, the allegations were proved and the PCC issued an admonishment in each.

It has been necessary for the IC and PCC to order the Registrar immediately to suspend an osteopath's registration in two cases this year.



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The HC has considered one case and found that the osteopath's ability to practise was seriously impaired by his health condition. The osteopath's registration was suspended.

The flow of complaints, though increasing, has been steady, allowing time for the Regulation team to continue to tighten up its procedures for dealing with practitioners who break the law by describing themselves as Osteopaths when not registered with the Council. In February 2005, Council brought its first private prosecution, which resulted in a court order for the practitioner to pay a £3,000 fine and the Council's legal costs. The second prosecution took place in May 2005, resulting in a court order for the practitioner to pay a £3,750 fine and the Council's legal costs. Other such prosecutions are scheduled for later in the year.

Work on the production of the new *Code of Practice* has been a central focus of the Practice and Ethics Committee, culminating in the production of a Fitness to Practise folder, which contains the new *Code* and supporting guidance leaflets on obtaining patient's consent to examination and treatment, and obtaining patient consent for the taking and use of audio recordings, along with pro forma consent forms for each purpose. The new *Code* and supporting guidance expands on existing guidance in some areas of practice and raises standards in others. The process of developing supplementary guidance to the new *Code* is ongoing.

The Head of Legal Affairs has advised the Council and Executive on the impact of events such as the Shipman Reports and the introduction of EU legislation into domestic law, such as the Mutual Recognition of Qualifications Directive.

This advice has also been fed into the proposals within the review of the Osteopaths Act 1993 and Council's Rules.

The Legislative Review has been progressed to the point of the production of a draft consultation document, which will be the basis of presentations to Regional Conferences during the spring and autumn of 2005. A final consultation document will be distributed in August 2005 and will be reviewed in the next Annual Report.

Assistance has also been given to the Development Department in the drafting of a contract between the Council and the Quality Assurance Agency (QAA), for the provision of QAA's services for Recognised Qualification (RQ) visits to Osteopathic Educational Institutions (OEIs). Work with the Communications Department has progressed a contract with the *International Journal of Osteopathic Medicine (IJOM)* to the point of near completion.

Liaison with other bodies has been a priority over the year and includes:

- a** discussions with the Advertising Standards Agency to reach a common approach in relation to breach of the protection of title provision;
- b** agreement with the Local Authorities Coordinators of Regulatory Services (LACoRS) to encourage the Trading Standards Department to prosecute breaches of the Council's protection of title provision;
- c** co-operation with CHRE in its Fitness to Practise Forum and involvement in its working parties, such as for the development of indicative sanctions guidance;

- d** involvement in a healthcare regulatory lawyers forum (independent of CHRE) to discuss concerns, share best practice, and provide mutual support and advice;
- e** co-operation with other healthcare regulators to deal with common problems and to promote osteopathy; and
- f** discussion with the Department of Health (DH) with regard to the Council's s.60 Order.

Registration

As forecast, the profession is on track to have doubled in size within the ten years to 2007, with 219 new graduates registering during the year under report. Additionally, nine osteopaths, trained outside the UK and European Economic Area (EEA), made successful applications to join the GOsC Register. The process for registering with the GOsC for practitioners from outside the UK and Europe is broadly similar to registration during the Transitional Period: completion of an extensive portfolio followed by a mandatory Assessment of Clinical Competence (ACC) in the UK. Applicants are also required to prove that their English is of a sufficient standard to communicate with their patients.

The Register never remains static. In the past year there have been 89 removals from the Register – mainly voluntary resignations, but a few for non-payment of fees. Of these, 39 osteopaths have returned to the Register during the period under report.

The registration staff have also developed a new system for the next round of renewals, as this year there will be the additional requirement of checking CPD compliance. ID cards have become more popular with 1,194 (33% of registrants)

issued up to 31 March 2005. All new registrants automatically receive an ID card.

Criminal Records Bureau (CRB) checks for new applicants and restorations to the Register were introduced, using an umbrella company for the administration. This proved very successful and other Healthcare Regulators, thinking of introducing checks on registrants in light of the Bishard report, have consulted the GOsC regarding the implementation of this system.

It is heartening to note the high degree of collaboration between the Healthcare Regulators, especially on registration issues. The Registration Managers Forum meets every two months to consider cross-regulator matters. Subjects discussed in 2004 – 2005 included identity theft, student registration, EEA registrations and electronic record systems.

There is also a Healthcare Regulators Information Policy Group dedicated to bringing a consistent approach to the implementation of new legislation, such as the Freedom of Information Act 2000, and to sharing policies and processes on topics such as the retention and deletion of documents.

For a year-on-year comparison, the Register stands as follows:

- On the Register as at 31 March 2005:
3,610 osteopaths, of whom 45% are female and 55% male.
- The geographical spread still shows the highest concentration of osteopaths in the south-east of England. The breakdown shows that there are 3,074 osteopaths in England, 14 in Northern Ireland, 117 in Scotland and 84 in Wales.

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- The number of osteopaths on the Register who practise overseas has grown to 321, in 38 different countries.

The age range of the profession is as follows:

21–30	31–40	41–50	51–60	61–70	70+
499	1,215	1,214	511	135	36

Development

The Development Department have concentrated this year on working towards the outsourcing of the assessment and evaluation aspects of the RQ process to the Quality Assurance Agency (QAA). The Recognised Qualification is the accredited course of training that results in the award of an academic and professional qualification. This has involved significant review, planning and discussion with both the QAA and the Osteopathic Educational Institution (OEIs), in order to have a robust and appropriate process in place for 2005, when several institutions are due for an RQ renewal visit. In addition, one of the existing institutions has had an interim RQ visit, and the GOsC has enjoyed preliminary discussions with a number of other institutions considering the establishment of osteopathic training programmes.

The outsourcing of the RQ process afforded an opportunity to review certain aspects of the current procedures, including the Final Clinical Competence Assessment (FCCA) for final year osteopathic students, the format of which is set by Council. The Education Committee agreed formal guidelines, to be used during 2005, and has worked towards the integration of this assessment into the osteopathic training programme of each institution, whilst allowing flexibility of approach

and format to assessing students. The GOsC will maintain an external monitoring role through the QAA/GOsC RQ process.

Following the successful development and implementation of the Continuing Professional Development (CPD) scheme, work in conjunction with the Registration Department to develop internal procedures and provide assistance and information for the profession has continued. Work in hand includes the development of an on-line resource for CPD.

The Council is pleased to be the major funder for the National Council for Osteopathic Research (NCOR), which, eager to maintain momentum, held four meetings in 2004 – 2005 to plan the establishment of regional research hubs, a research governance framework, and the development of a website.

The GOsC was also instrumental in setting up a meeting with the World Health Organization (WHO) in order to persuade WHO to publish separate guidelines on basic training and safety in osteopathy, rather than include osteopathy in its general training guidelines for manual therapies. The GOsC has made comments on preliminary drafts of these guidelines and will have the opportunity to provide further input in subsequent consultation drafts.

Amendments to the Disability Discrimination Act 1995 legislation have led to a review of current procedures in relation to standards and assessments, to ensure that the GOsC is meeting its responsibilities. This will continue over the coming months.

This year has also seen the launch of two new projects for the Council. In conjunction with other stakeholders, including the OEIs and the British

Osteopathic Association (BOA), work has begun on developing a QAA benchmark statement for osteopathy, which will outline the standards required of osteopathic degrees. The Department is also developing a database of osteopathic educational and professional standards in other European Economic Area (EAA) countries and is currently in contact with appropriate bodies in these countries.

Communications

A thorough appraisal of the GOsC and the profession's communications and promotional objectives in the short and medium term produced a Communications Plan for 2004 – 2007 and identified current strategic priorities. From this, a draft Public Affairs Plan was also developed.

Working with the other health and social care regulators, the GOsC helped to establish a joint Public Patient Involvement Group to identify and develop effective means of informing and consulting patients and public alike.

A new GOsC public information website was launched in May 2004, key features of which include enhanced access to the online Statutory Register of Osteopaths, guidance on inter-professional patient referral and on osteopathic training, and detailed reporting of fitness to practise processes. Eleven public information leaflets on various aspects of osteopathic practice were redrafted and published on the website.

In conjunction with the website, the Osteopathic Information Service (OIS) handled over 12,000 calls from the public and the profession and supplied more than 74,000 advice leaflets.

The GOsC press office arranged interviews and briefings in response to 52 substantive press inquiries, which included production of the BBC

drama “May 33rd”, the BBC Radio 4 series “The Other Medicine”; and ITV's “This Morning” programme. Targeted advertorial was developed for 10 high-circulation career, consumer, primary care and political publications.

Improving awareness of osteopathy amongst other health professionals continues to be a key priority, as primary care organisations across the UK demonstrate growing interest in commissioning osteopathic services for NHS patients. An information leaflet providing advice to medical practitioners on referrals to osteopaths was produced and widely distributed. The role of osteopathy in primary care was promoted by the GOsC at three major national healthcare conferences – Primary Care 2004, NHS Alliance 2004, and NICE 2004. A promotional training workshop to assist osteopaths endeavouring to build relationships with GPs was developed and piloted, and six of these one-day events were subsequently hosted across the UK during the year. Feedback indicated that 100% of delegates found the workshops beneficial. In conjunction with the GP workshops, a promotional toolkit for osteopaths has also been developed.

Focus too has fallen on the promotion of evidence-based practice and research awareness. The 2004 GOsC Regional Conferences and *The Osteopath* magazine provided the platform for introducing to the profession the work of the newly-established National Council for Osteopathic Research (NCOR) and for delivering to the profession two further issues of the *Journal of Osteopathic Medicine*.



Report of the Council *year to 31 March 2005*

Along with launching NCOR, the eight Regional Conferences hosted by the GOsC during 2004 also served to introduce guidelines for CPD. The events were attended by 42% of the profession.

The Communications Department assisted in the establishment of eight new osteopathic regional societies during the year with a view to strengthening the valued Regional Communications Network. A meeting of society chairs and regional representatives was convened to consult on the introduction of CPD and other key policy developments.

Policy and professional development issues continue to be communicated to the profession primarily through *The Osteopath* magazine. In addition, the magazine, which is published ten times per year, was also regularly circulated to over 200 external organisations and, in the year under review, saw a 12% increase in subscriptions.

To assist new registrants joining the profession, an enhanced graduate support programme was developed and widely presented to final year students of the Osteopathic Educational Institutions (OEIs).

Standards of osteopathic education and practice underpinned much of the work of a newly-appointed International Affairs Committee, which is serviced by the Communications Department. GOsC representatives took part in a World Health Organization (WHO) workshop on basic training guidelines. A briefing meeting was held with European Commission officials on aspects of internal market legislation, and GOsC representations were also made to the newly-appointed EU Commissioners for Health & Consumer Protection and Internal Market.

With a view to influencing international policy development, the GOsC continued an active role in the Alliance of UK Health Regulators for Europe and submitted briefings to Ministers and Government officials in the Departments for Trade & Industry and Health on EU internal market legislation. A response was also submitted as part of a House of Lords Select Committee inquiry into the Draft EU Services in the Internal Market Directive. The GOsC continued its contribution to the work of the European Public Health Alliance (EPHA).

With a view to informing domestic healthcare policy development, meetings were initiated with the Department of Health concerning musculoskeletal healthcare delivery, and the GOsC continued its participation in the All-Party Parliamentary Group for Integrated & Complementary Healthcare.

Future plans

With 2004 – 2005 having been a year of opportunity, it is likely that 2005 – 2006 will be a year of delivery as developed plans come to fruition. In particular, the Legislative Review Consultation document will be made available in the summer of 2005, with findings to be presented to Council in December 2005. The timing for our submissions to the Department of Health in Spring 2006 now ties in well with the major reviews of Healthcare Regulation, post Shipman, due to report this December.

The existence of these Reviews – in the case of the GOsC, that into non-medical healthcare regulation (the Foster Review) – has brought with it the need to escalate Council's Strategic Objective 'to retain the status of self-regulation for the osteopathic profession'. It is envisaged that

2005 – 2006 will see significant resources committed to this goal.

The nine Regional Conferences, encompassing England, Scotland and Ireland, will provide a platform to deliver the new *Code of Practice* to the profession, along with discussion on the proposed changes to the Osteopaths Act 1993 and associated Rules. The GOsC would wish to better last year's attendance figure of 42% of the profession, but it is recognised that the Continuing Professional Development (CPD) consultation was a significant draw and that a repeat of this level of attendance may be ambitious.

On the CPD front, it is planned to have on-line resources available by the end of the year. The Education Committee also intends to have frameworks for osteopathic pre-registration education and for osteopathic practice in place by then. The following year's consultation will be about the resulting Benchmark Statements.

Three other initiatives to enhance further the standing of the GOsC are nearing completion: the development of a Public/Patient Involvement Strategy, in conjunction with other Healthcare Regulators; the development of a UK and International Public Affairs Strategy; and the establishment of a Federation of Osteopathic Regulators in Europe. This latter initiative is to redress the lack of 'competent authorities' (i.e. regulators that set and enforce standards, as opposed to associations) in Europe and the threat this could pose to osteopaths practising in the UK.

In respect of governance, Council intends to introduce formal Council Member appraisals and to tender for an internal audit exercise to look at efficiency, effectiveness and added value.

Standing Orders and other related material will be combined into one publication – 'The Governance Handbook'.

The above highlights some of the plans of Council for 2005 – 2006. One final mention must go to the National Council for Osteopathic Research (NCOR) which was established to encourage a research ethos and a positive attitude to evidence-based practice amongst the profession. NCOR's critical and successful contribution will be evaluated, with a view to allocating further funding for a mutually beneficial project aimed at further advancement of the profession.

Financial Report for the year

The Council has further maintained its financial stability, whilst ensuring that the key areas of its remit were funded sufficiently to meet the goals and objectives set in the Business Plan. The range of activities undertaken by the Council demonstrates a commitment to ensuring proper processes are in place to protect patients through setting and enforcement of high standards of practice. Furthermore, it seeks to inform the public and offer choice in primary healthcare by promoting osteopathy as a regulated profession.

The financial statements show a surplus of £449,563. The significant factor is income increasing by £202,463 with just under half relating to Retention Fees. The Retention Fee income is now shown on an accruals basis (i.e. put into the accounts when due, not when the fees are received). This allows for a 'true and fair view' to be expressed by our auditors on the overall accounts.

Report of the Council *year to 31 March 2005*

Expenditure before taxation stands at £2,128,429. Items to highlight are below:

An increase in overall staff costs of £138,896 is mainly represented by the salaries and associated costs of three new staff members. The addition of a Head of Legal Affairs, appointed in April 2004, has already reduced legal expenditure and justified this recruitment.

Related Party Transactions (payments to Council Members) has increased to £120,947, from £67,834 last year. This is in line with expectations and follows the decision of Council to change its remuneration policy.

To improve transparency and accountability the accounts now show two additional expenditure departments, which reflect better the business of Council. A re-analysis of the Secretariat function produces 'Registration & Management Information Systems (MIS)' and 'Legal Affairs (including Fitness to Practise)'. Overall staff and related costs are now shown separately in the Income and Expenditure account. In addition, note 2 to the accounts splits the number of staff by department.

Within the Development Department an increase in the cost of Evaluation is offset by recoverable funds from the Osteopathic Educational Institutions (OEIs) for the Final Clinical Competence Assessment (FCCA) process. Last year the Council agreed to fund this process for one year only, with the costs now recoverable from the OEIs.

Within Promotions & Communications, a significant increase in 'Internal Communications' of £82,538 represents the eight Regional Conferences, development of the public website

and provision of training days (GP workshops) for the profession. This increase is offset by income from the conferences of £39,499. Feedback from the profession indicated the Conferences and training days to be of benefit and can be considered to be a worthwhile investment. Such events underpin the aim to establish high standards within the profession.

The overall reduction in the cost of documentation and postage, under Registration and MIS, is predominantly for the production of the Register but also includes expenditure relating to the Criminal Records Bureau (CRB) process. Most notable is the cost of the MIS. The overall need for IT consultancy and sundry expenses is remarkably low given the business of the GOsC and is a testament to the effectiveness of the Head of this function.

As previously mentioned, Fitness to Practise legal costs have fallen dramatically in the reporting year. Committee costs are driven by the number and nature of the cases arising, so will always be a volatile budget; for example, in previous years one single case cost over £40,000. It is hoped that the introduction of the new *Code of Practice*, which is one of the major expenses for the Legal Affairs documentation, will minimise this volatility.

Within Secretariat, a tax provision of £125,000 was established last year, relating to the previous six years' national insurance due on fees, and tax and national insurance due on expenses paid to Council Members. Work with our auditors, Buzzacott, substantially reduced this liability. The over-provision of £60,145 occurs after deducting the final liability agreed with the Inland Revenue. All payments made to Council Members are now processed through the monthly payroll.

The surplus for the year leads to an increase in the general reserves which now stand at £1,205,299. Total reserves are equal to £2,192,539.

Further information on the reserves can be found below at Reserves policy and financial position. In April 2004, Osteopathy House was purchased for the profession using acquired funds from the General Council & Register of Osteopaths (GCRO) in conjunction with accumulated reserves. The Cash Flow Statement, under the heading 'Financing', shows this significant cash repayment of £512,981 and is the main reason for cash in the year decreasing by £129,819.

Overall, the Council has firmly established financial management processes and these have ensured it now enjoys a stable position. Looking ahead, the Council can feel confident it has a strong platform from which to undertake its future activities.

Reserves policy and financial position

Reserves policy

The Council has examined the requirement for free reserves, i.e. those funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The Council considers that, given its future activities, the level of free reserves should be equivalent to six months average annual expenditure at any one time. This is currently based upon a three year historical review of actual expenditure and consideration of the known future activities. The Council is of the opinion that this provides sufficient flexibility to cover temporary shortfalls in revenue due to timing differences in income flows and adequate working capital to cover core costs, and will allow

the organisation to develop its future activities. This decision has been reviewed in the light of the uncertainties of the regulatory environment and deemed sufficient. The level of reserves will be reviewed on an annual basis.

Financial position

The Balance sheet shows total funds of £2,192,539.

Funds totalling £987,240 have been designated, or set aside, by the Council as a fixed assets fund. These primarily represent the premises, Osteopathy House. The figure is less than last year as we depreciate the value of our property in the accounts.

General funds of the organisation at 31 March 2005 total £1,205,299. These are the Council's free reserves and they amount to the equivalent of seven months of expenditure. For the first time since the policy was established, the free reserves are more than the desired level set out in the reserve policy above. This is a significant period of development for the Council and the desired level and actual position will be kept under close review.

Responsibility of the Members of Council

Section 40 (1) of the Osteopaths Act 1993 requires the General Osteopathic Council (GOsC) to prepare proper accounts for each financial period. In doing so, Members of Council have been concerned to prepare accounts which give a true and fair view of the Council's financial position at the end of the year and of its financial activities during the year.

Report of the Council *year to 31 March 2005*

In preparing accounts the Members of Council strived to follow best practice by:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- stating whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- preparing the accounts on the going concern basis unless it is inappropriate to presume that the Council will continue in operation.

The Members of Council are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the organisation and which enable them to ensure that the accounts comply with the Osteopaths Act 1993.

They are also responsible for safeguarding the assets of the Council and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Employees

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

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

Approved by the Members of Council on 19 July 2005 and signed on their behalf by:

Chairman – Nigel Clarke



Independent auditors' report

year to 31 March 2005

Report of the independent auditors to the Members of the General Osteopathic Council

We have audited the accounts on pages 23 – 33, which have been prepared under the accounting policies set out on page 28.

This report is made solely to the General Osteopathic Council in accordance with Section 40 of the Osteopaths Act 1993. Our audit work has been undertaken so that we might state to the Members of Council, as a body, 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 Members of Council, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Members of the Council and auditors

As described on page 20, the General Osteopathic Council is responsible for the preparation of the annual report and accounts in accordance with applicable law and United Kingdom Accounting Standards.

We have been appointed as auditors under Section 40 of the Osteopaths Act 1993 and report in accordance with the regulations under Section 40 of that Act. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Osteopaths Act 1993. We also report to you if, in our opinion, the annual report is not consistent with the accounts, if the Council has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read other information in the annual report and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of opinion

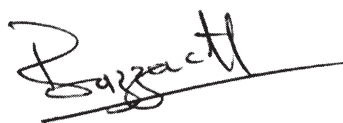
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant

to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the General Osteopathic Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the accounts give a true and fair view of the Council's state of affairs as at 31 March 2005 and of its income and expenditure in the year then ended and have been properly prepared in accordance with the Osteopaths Act 1993.



19 July 2005

BUZZACOTT

Chartered Accountants and Registered Auditors

12 New Fetter Lane

London

EC4A 1AG

Accounts

year to 31 March 2005

Income and expenditure account *year to 31 March 2005*

	Notes (See pages 29 – 33)	2005 £	2004 £
Income			
Fees		2,354,396	2,264,170
Conference		39,499	440
Magazine & Leaflets		47,622	51,632
Bank Interest		67,019	58,273
FCCA	1	69,870	-
NCOR contribution	1	10,000	10,000
Miscellaneous		2,325	3,753
Total	1	2,590,731	2,388,268
Expenditure			
Staff and related costs			
Staff costs	2	880,471	741,575
Recruitment		28,723	34,905
Training and development		18,890	25,423
Other		6,776	4,564
Total		934,860	806,467
Development			
Evaluation		184,834	124,855
Conferences, committees & workshops		21,019	10,225
Publication & Subscriptions		22,675	42,479
Continuing Professional Development		24,168	55,597
Research (including NCOR)		45,188	48,644
Support costs	5	53,806	46,439
Total		351,690	328,239
Communications			
GOsC publications		125,817	165,825
Conferences, committees and workshops		15,102	2,587
Internal communication		138,525	55,987
External communication		50,808	45,116
Publications and subscriptions		5,761	5,740
Support costs	5	67,258	77,397
Total		403,271	352,652

Income and expenditure account *year to 31 March 2005*

	Notes (See pages 29 – 33)	2005 £	2004 £
Registration & MIS			
Documentation and postage for registration		35,733	39,840
Conferences, committees and workshops		5,368	28,996
Management information systems		5,012	2,214
Support costs	5	26,903	30,959
Total		73,016	102,009
Legal Affairs (including Fitness to Practise)			
Fitness to Practise documentation		22,046	7,698
Legal costs		15,125	81,643
Statutory & other committees and working groups		137,714	221,143
Support cost	5	53,806	46,439
Total		228,691	356,923
Secretariat			
Council costs		51,060	30,169
Statutory & other committees and working groups		31,137	8,750
Support costs	5	80,709	77,397
Professional fees		3,130	29,373
Audit and accountancy		13,416	12,460
Exceptional item	4	(60,145)	125,000
Publications & subscriptions		5,733	8,914
Total		125,040	292,063
Financing			
Interest paid		1,646	30,707
Bank charges		10,215	9,399
Total		11,861	40,106
Total expenditure		2,128,429	2,278,459
Surplus before tax		462,302	109,809
Corporation tax charge	6	12,739	11,068
Surplus for the year after tax	11	449,563	98,741

The surplus for the year arises from the Council's continuing operations.

There is no difference between the surplus before taxation and the retained surplus for the period stated above, and their historical cost equivalent.

Balance sheet *year to 31 March 2005*

	Notes (See pages 29 – 33)	2005 £	2005 £	2004 £	2004 £
Fixed assets	7		987,240		1,021,668
Current assets					
Debtors	8	263,339		170,044	
Short-term deposits		1,000,000		1,000,000	
Cash at bank and in hand		530,869		660,688	
		<u>1,794,208</u>		<u>1,830,732</u>	
Creditors: amounts falling due within one year	9	<u>(588,909)</u>		<u>(1,109,424)</u>	
Net current assets			1,205,299		721,308
Total assets less total liabilities			<u>2,192,539</u>		<u>1,742,976</u>
Reserves					
General reserve	11		1,205,299		721,308
Fixed asset fund	11		987,240		1,021,668
Total reserves			<u>2,192,539</u>		<u>1,742,976</u>

Approved by the Members of Council on 19 July 2005 and signed on their behalf by:

Chairman – Nigel Clarke



Treasurer – John Chuter OBE



Cash flow statement *year to 31 March 2005*

	Notes (See below)	2005 £	2004 £
Cash inflow from operating activities	A	353,518	261,500
Returns on investments and servicing of finance	B	65,373	43,158
Taxation		(10,272)	(8,689)
Capital expenditure	B	(25,457)	(25,109)
Financing	B	(512,981)	(102,532)
(Decrease) / increase in cash	C	<u>(129,819)</u>	<u>168,328</u>

Notes to the cash flow statement for the year to 31 March 2005

A Reconciliation of surplus before tax to net cash inflow from operating activities

	2005 £	2004 £
Surplus before tax	462,302	109,809
Interest received	(67,019)	(58,273)
Interest paid	1,646	30,707
Depreciation charge	59,885	53,852
Increase in debtors	(93,295)	(49,632)
(Decrease) / increase in creditors	(10,001)	175,037
Net cash inflow from operating activities	<u>353,518</u>	<u>261,500</u>

B Gross cash flows

	2005 £	2004 £
Returns on investment and servicing of finance		
Interest received	67,019	73,865
Interest paid	(1,646)	(30,707)
	<u>65,373</u>	<u>43,158</u>
Capital expenditure	(25,457)	(25,109)
Payments to acquire tangible fixed assets	<u>(25,457)</u>	<u>(25,109)</u>
Financing		
Repayment of building loan	(512,981)	(102,532)
	<u>(512,981)</u>	<u>(102,532)</u>

Cash flow statement *year to 31 March 2005*

C Analysis of changes in net funds

	1 April 2004 £	Cash flows £	31 March 2005 £
Cash in hand, at bank	660,688	(129,819)	530,869
Debt due within one year	(512,981)	512,981	-
Short term deposits	1,000,000	-	1,000,000
Total	<u>1,147,707</u>	<u>383,162</u>	<u>1,530,869</u>

D Reconciliation of net cash flow to movement in net funds

	£	£
Decrease in cash in the period	(129,819)	
Repayment of building loan	512,981	
Change in net funds		383,162
Net funds at 1 April 2004		1,147,707
Net funds at 31 March 2005		<u>1,530,869</u>

Principal accounting policies *year to 31 March 2005*

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Depreciation of fixed assets

Depreciation is provided on fixed assets, on a straight line basis, as follows:

- Office equipment – 3 years
- Office furniture – 5 years
- Computer hardware – 3 years
- Freehold building – 50 years

Income

Fee income is accounted for on a receivable basis.

Other income is accounted for on a cash received basis with the exception of Conference Income, which is deferred to match associated expenditure.

Expenditure

Expenditure is accounted for on a payable basis with the exception of costs incurred in respect of the published Register of Osteopaths which are matched with the year of publication.

Support costs have been apportioned between the functions on the basis of the average number of employees (see note 2).

Pension contributions

The Council operates a defined contribution pension scheme for qualifying employees. The assets of the scheme are held separately from those of the Council in an independent fund. The employer's contribution for the year is charged to salaries in the Income and expenditure account.

Notes to the accounts *year to 31 March 2005*

1 Income

The Council's income and surplus before taxation were all derived from its principal activity.

Income relating to Final Clinical Competence Assessment (FCCA) represents the recharge to the Osteopathic Educational Institutions (OEIs) of the FCCA costs. In 2003 – 2004 the Council agreed to fund the costs of the FCCA process for one year only.

The National Council for Osteopathic Research (NCOR) contribution comprises the reimbursements received from the British Osteopathic Association (BOA) and the OEIs towards the NCOR contribution paid by the Council.

2 Employees and staff costs

Staff costs during the year were as follows:

	2005	2004
	£	£
Wages and salaries	682,317	557,017
Social security costs	73,809	58,311
Other pension costs (see note 3)	101,242	82,078
	<u>857,368</u>	<u>697,406</u>
Temporary staff	23,103	44,169
	<u>880,471</u>	<u>741,575</u>

The average number of employees, on a full-time equivalent basis and by activity, of the Council during the year ended 31 March 2005 was:

	2005	2004
	No	No
Development	4	3
Communications	5	5
Registration & MIS	2	2
Legal affairs (including Fitness to Practise)	4	3
Secretariat	6	5
	<u>21</u>	<u>18</u>

3 Pension costs

The contributions paid in the year in respect of the Council's pension scheme included contributions payable for the year of £101,242 (2004 – £80,042).

Notes to the accounts *year to 31 March 2005*

4 Exceptional items

	2005 £	2004 £
Other tax and social security	<u>(60,145)</u>	<u>125,000</u>

In the year ended 31 March 2004 the Council established a tax provision relating to the last six years' national insurance due on fees and tax and national insurance due on expenses paid to Council Members. A settlement was reached with the Inland Revenue in the year and the over-provision has been written back to the Income and expenditure account.

5 Support costs

	2005 £	2004 £
Depreciation	59,885	53,852
Rates	19,722	19,203
Building maintenance	45,625	63,149
Utilities	7,892	6,826
Postage, printing and stationery	64,005	59,392
Telephone and fax	19,318	15,400
Insurance	22,391	22,110
Annual Report	17,074	3,153
Business Plan development	24,400	32,445
Other	2,170	3,101
	<u>282,482</u>	<u>278,631</u>

These costs have been apportioned as follows:

	2005 £	2004 £
Development	53,806	46,439
Communications	67,258	77,397
Registration and MIS	26,903	30,959
Legal Affairs (incl. Fitness to Practise)	53,806	46,439
Secretariat	80,709	77,397
	<u>282,482</u>	<u>278,631</u>

Notes to the accounts *year to 31 March 2005*

6 Taxation

The tax charge on the surplus before tax for the year was as follows:

	2005 £	2004 £
Current tax:		
Corporation tax at 19% (2004 – 19%)	12,739	11,068
Tax on surplus for year	12,739	11,068

The Council is liable to corporation tax on its investment income but is not liable for corporation tax in respect of any surplus or deficit arising on statutory activities.

7 Fixed assets

	Office equipment £	Office furniture £	Computer hardware £	Freehold buildings £	Total £
Cost					
At 1 April 2004	87,466	97,492	127,483	1,080,326	1,392,767
Additions	6,433	8,037	10,987	-	25,457
At 31 March 2005	93,899	105,529	138,470	1,080,326	1,418,224
Depreciation					
At 1 April 2004	65,120	70,337	105,934	129,708	371,099
Charge for the year	9,914	9,163	19,204	21,604	59,885
At 31 March 2005	75,034	79,500	125,138	151,312	430,984
Net book value					
At 31 March 2005	18,865	26,029	13,332	929,014	987,240
At 31 March 2004	22,346	27,155	21,549	950,618	1,021,668

8 Debtors

	2005 £	2004 £
Fee debtors	132,854	99,429
Prepayments and accrued income	55,275	55,068
Other debtors	75,210	15,547
	263,339	170,044

Notes to the accounts *year to 31 March 2005*

9 Creditors: amounts falling due within one year

	2005 £	2004 £
Building loan	-	512,979
Deferred income	338,636	306,778
Trade creditors	166,862	44,949
Accruals	47,258	95,982
Other creditors	174	1,560
Income tax and social security	27,907	141,571
Corporation tax creditor	8,072	5,605
	<u>588,909</u>	<u>1,109,424</u>

The building loan was secured on the freehold property known as Osteopathy House, 176 Tower Bridge Road, London. The loan was repaid in full in April 2004.

10 Related party

During the year payments were made to Council Members as follows:	2005 £	2004 £
Appointed and elected Members		
Attendance fees – Council, committee and sub-committees	91,056	41,919
Travel	16,029	10,139
Subsistence	1,832	2,600
	<u>108,917</u>	<u>54,658</u>
Co-opted Members		
Attendance fees – Council, committee and sub-committees	8,525	8,909
Travel	3,150	3,831
Subsistence	355	436
	<u>12,030</u>	<u>13,176</u>
Total	<u>120,947</u>	<u>67,834</u>

At 31 March 2005 the Council Membership was:	2005	2004
Lay Members	8	8
Osteopath Members	12	11
Education Members	3	3
Secretary of State Appointee	1	1
	<u>24</u>	<u>23</u>
Co-optees	24	17
Total	<u>48</u>	<u>40</u>

Notes to the accounts *year to 31 March 2005*

11 Reserves

	General Reserve £	Fixed Asset Fund £	Total £
At 1 April 2004	721,308	1,021,668	1,742,976
Surplus for the year	449,563	-	449,563
Gross transfers between funds	34,428	(34,428)	-
At 31 March 2005	<u>1,205,299</u>	<u>987,240</u>	<u>2,192,539</u>

The Fixed Asset Fund was set up in order to demonstrate that all the Council's funds are not available for general application. The fixed asset fund is set at an amount equal to the net book value of tangible fixed assets.

GENERAL OSTEOPATHIC COUNCIL
OSTEOPATHY HOUSE
176 TOWER BRIDGE ROAD
LONDON SE1 3LU