

Audit Committee 16 March 2011

Internal audit report – Transfer of regulatory functions from General Social Care Council

Executive summary and recommendations

Introduction

PKF has undertaken a review of the arrangements for the transfer of regulatory functions from the General Social Care Council to HPC, in accordance with the decision made by the Committee in November 2010. The report is attached as an appendix to this paper.

The report rated this area as sound and included some suggested main areas for HPC to focus on.

Decision

The Committee is asked to discuss the report.

Background information

At its meeting in November 2010, the Committee agreed that this area should be reviewed.

Resource implications

None.

Financial implications

None.

Appendices

General Social Care Council transfer of regulatory functions review.

Date of paper

7 March 2011.



Health Professions Council

**GSCC transfer of regulatory
functions review 2010/11**

Final March 2011

Confidential



Accountants &
business advisers

Contents

1	Introduction and scope	1
2	Executive summary	2
3	Detailed findings	6
4	Suggested main areas of focus going forward	19
5	Assurance definitions	23

1 Introduction and scope

1.1 In accordance with our agreed internal audit operational plan for 2010/11 (as amended at the November 2010 meeting of the Audit Committee), we have undertaken a review of the Health Professions Council's ("HPC's") arrangements for managing the risks to the organisation associated with the transfer of regulatory functions from the General Social Care Council (GSCC") to the HPC.

Scope of our work

1.2 The HPC's senior management team is the primary means through which the organisation is currently seeking to manage these risks, working closely with the GSCC and Government to agree a practical process for the transfer of the regulatory functions. Our review therefore assessed the adequacy of these arrangements and sought to provide assurance that they are operating effectively.

1.3 The work was carried out primarily by holding discussions with relevant staff and management and reviewing any available documentation. The audit fieldwork was undertaken in January and February 2011.

1.4 This report has been prepared as part of the internal audit of the HPC under the terms of our engagement letter for internal audit services. It has been prepared for the HPC and we neither accept nor assume any responsibility or duty of care to any third party in relation to it.

1.5 The conclusions and recommendations are based on the results of audit work carried out and are reported in good faith. However, our methodology is dependent upon explanations by managers and sample testing and management should satisfy itself of the validity of any recommendations before acting upon them.

2 Executive summary

- 2.1 This report summarises the work undertaken by PKF within the agreed scope of our review of the management arrangements in operation at the HPC in preparation for the transfer of regulatory functions from the GSCC. The work was performed as part of our agreed internal audit plan for 2010/11 as amended by the Audit Committee in November 2010.

Background

- 2.2 During 2010, the Coalition Government announced that it intended to abolish the GSCC and to transfer its regulatory functions (including approving the education and training of approved mental health professionals) to the HPC, which will be renamed the Health and Care Professions Council (“HCPC”).
- 2.3 Since that time the HPC has been working to respond to this decision and has been putting into place the arrangements necessary to begin to manage the transfer of functions and to ensure that Council members are provided with the information required to exercise their scrutiny responsibilities effectively.
- 2.4 In January 2011, the Health and Social Care Bill 2011 was published and set out the principal elements of the primary legislation required for the abolition of the GSCC and the transfer of its regulatory functions to take place. This was followed up subsequently by a Command Paper in February 2011 that provided more details of the Coalition Government’s plans for the future regulation of healthcare workers, social workers and social care workers.

Our assessment

- 2.5 Based on the audit work carried out we have concluded that the HPC’s arrangements for managing the transfer of regulatory functions have been sound to date and the approach adopted has proven effective in identifying and responding to the key issues as they have emerged.
- 2.6 We have also concluded that Council has been provided with sufficient information in relation to the transfer of functions from the GSCC to the HPC at this stage. Evidently further information will need to be provided as more details regarding the specific aspects of the transfer and the wider social work reform agenda emerge.
- 2.7 We have not therefore raised any recommendations in relation to this area.
- 2.8 However, inevitably many aspects of the transfer have still to be worked through and resolved and further issues may develop during the course of the period until the GSCC’s functions are finally transferred to the HPC.

- 2.9 To assist the HPC in managing this important development we have summarised below some suggested main areas for the organisation to focus upon going forward.

Risk area	Highlighted key issues going forward
GSCC employee issues	<p>The main areas that the HPC needs to focus upon going forward are establishing robust arrangements to manage the human resources aspects of the transfer.</p> <p>Some dependence remains upon the GSCC in the meantime since it is the current employer of these individuals and will be responsible for identifying the occupants of the seven roles that will transfer to the HPC with the GSCC's regulatory functions and providing the HPC with their employment details and personnel files. We understand that the Coalition Government has committed to funding the costs of any redundancies, although this has still to be confirmed formally. The GSCC will also need to provide the HPC with details of those employees that have left their jobs during the period until the GSCC is abolished. and what, if any, arrangements have been made for their replacement.</p>
Register transfer	<p>The main areas that the HPC needs to focus upon going forward are working with the GSCC to better understand the nature, format and location of its registration data and to devise a detailed and effective plan with the GSCC for transferring the various elements of the data. Until a decision is taken in relation to voluntary registration of the social work students, this data will also need to be included in the project work to transfer information from the GSCC to the HPC.</p>
Fitness to Practise case work	<p>In view of the previous weaknesses identified by the GSCC and CHRE, the GSCC's fitness to practise case work must be a key area of focus for the HPC. There remain significant uncertainties regarding the quality of casework, the potential residual backlog and also the ability of the GSCC to continue to operate effectively in this area in particular during the period leading up to its abolition.</p>

Risk area	Highlighted key issues going forward
Financial matters	<p>The main financial areas that the HPC needs to focus upon going forward are obtaining a more detailed understanding of all the potential costs of the transfer, including any potential liabilities that the HPC may inadvertently inherit from the GSCC (including redundancy costs) and the costs of accommodating any transferring employees.</p> <p>A decision also needs to be taken regarding the registration of student social workers so that any potential financial impact can be managed.</p> <p>Finally, the HPC needs to work closely with its external auditors to ensure that the transfer of functions is correctly recorded and disclosed in the HPC's financial accounts for the year ended 31 March 2012. Consideration should also be given to any additional disclosures that may be required in the annual report and financial statements for the current year.</p>
Cultural matters	<p>The impact of the process for selecting employees for the 28 new positions and managing the associated redundancies may have an adverse impact on the culture of the HPC, which has not been through a similar process before. This therefore appears to be the main area for the HPC to focus upon in relation to cultural matters over the coming year.</p> <p>In the longer term, Council and management will need to reconsider the organisation's Strategic Intent to provide it with an opportunity to set out the ambitions of the new HCPC positively and to ensure that it reflects the expectations of key stakeholders, including the Coalition Government.</p>

- 2.10 These matters are set out in more detail in Section 4 of this document.
- 2.11 Our suggestions are of course based on our understanding of the current status of the transfer process, which is evolving as progress is made and key decisions are taken.
- 2.12 We anticipate that the HPC's new internal auditors will also undertake further review work in relation to this area over the coming year to ensure that the Audit Committee continue to receive robust assurance regarding the various risks and the management controls to mitigate these that are in operation at the HPC.
- 2.13 We wish to thank all members of staff for their availability, co-operation and assistance during the course of our review.

PKF (UK) LLP

February 2011

3 Detailed findings

Background

- 3.1 The GSCC is currently the regulator of the social work profession and social work education in England. It is a Non-departmental public body (“NDPB”) established in 2001 under the Care Standards Act 2000. The GSCC currently has around 230 employees,. The GSCC’s operations are primarily undertaken from its office in Rugby, where the majority (175) of its employees are based. The GSCC’s London office has around 46 employees, and the remaining 12 are home-based..
- 3.2 The GSCC maintains a register (“social care register”) of qualified social workers and social work students who have been assessed as trained and fit to be in the workforce or study on an approved social work degree course. The number of registrants is set out in the table below.

Registrant category	Number of registrants March 2010
Qualified social worker registrants	83,464
Social work student registrants	17,418
Total	100,882

- 3.3 The social care register is maintained on the “OSCAR” registration database by the GSCC.
- 3.4 As at 31 March 2010, the GSCC had 651 ongoing fitness to practise cases under investigation with around 28 new referrals progressing to investigation each week. Some of these may be high profile cases that attract significant media attention.
- 3.5 There had previously been a significant backlog of cases dating back to 2008 and shortcomings in relation to case allocation and management. These were the subject of a report commissioned by the Secretary of State (after being alerted about the backlog of cases by the GSCC) and undertaken by the Council for Healthcare Regulatory Excellence (“CHRE”).
- 3.6 A report from the GSCC to Departmental Ministers in July 2010 in response to the CHRE report indicated that the backlog had been largely cleared and case allocation and management procedures enhanced. However, the GSCC response indicated that the IT systems underpinning registration and case management did not meet the organisation’s requirements going forward.

- 3.7 The Department of Health's White Paper *Equity and Excellence: Liberating the NHS – June 2010* was followed up by the *Report of the Arms-length bodies Review* which set out the intention to move the regulation of social workers (including approving the education and training of approved mental health professionals) in England from the GSCC to the HPC which will be renamed the Health and Care Professions Council ("HCPC"). In July 2010 it was announced that the GSCC is to be abolished.
- 3.8 Since that time the HPC has been working to respond to this decision and has been putting into place the arrangements necessary to begin to manage the transfer of functions and to ensure that Council members are provided with the information required to exercise their scrutiny responsibilities effectively.
- 3.9 In January 2011, the Health and Social Care Bill 2011 was published and set out the principal elements of the primary legislation required for the abolition of the GSCC and the transfer of its regulatory functions to take place. This was followed up subsequently by a Command Paper in February 2011 that provided more details of the Coalition Government's plans for the future regulation of healthcare workers, social workers and social care workers.
- 3.10 The current likely timetable for the transfer of functions is as follows:

Health and Social Care Bill introduced to Parliament	January 2011
Royal assent	November 2011
Transfer of regulatory functions and data to HPC	March 2012
Date of GSCC closure	May 2013 (estimated)

Key risk areas

- 3.11 The Executive Management Team ("EMT") has identified the following key risk areas to the HPC in relation to the transfer of regulatory functions:

GSCC employee issues	– including the number of employees to be transferred, potential redundancies and TUPE implications;
Register transfer	– practicalities associated with the transfer of the GSCC register to the HPC and data quality issues

Fitness to Practise casework	– considerations regarding any backlog of case work, inherited poorly managed cases and the potentially increased volume of higher profile cases requiring investigation and determination
Financial matters	– primarily related to the cost of transfer and any unforeseen employee related liabilities that are not to be funded by the GSCC
Cultural matters	– including any unanticipated impact of the absorption of the GSCC casework upon the corporate culture of the HPC

- 3.12 In view of the significance and nature of this project the HPC's EMT is the primary means through which the organisation is currently seeking to manage these risks working closely with the GSCC and Government to develop and agree a practical process for the transfer of the regulatory functions in accordance with the timetable.
- 3.13 The findings of our review of these management arrangements are set out in the paragraphs below.

Findings

GSCC employee issues

- 3.14 The principal risks identified by the HPC in this area relate to the future of the employees of the GSCC once that organisation is abolished and its regulatory functions are transferred to the HPC. Had TUPE - *Transfer of Undertakings (Protection of Employment) Regulations 2006* applied, there was a possibility that all of the existing GSCC would automatically transfer with the functions.
- 3.15 We noted that following discussions between the HPC, GSCC and the Department of Health it has since been agreed that COSOP - the Cabinet Office Statement of Practice on Staff Transfers in the Public Sector is to be applied in respect of the transfer of functions to the HPC but only to those employees who are wholly or mainly assigned to the transferring function as determined by the HPC.
- 3.16 From our review of the HPC's project management documentation we noted that this matter has been clarified following the publication of the Health and Social Care Bill and the agreement in writing with the GSCC dated 28 January 2011.

- 3.17 This agreement sets out the indicative numbers of GSCC employees to be transferred to the HPC based upon the scope of the functions being transferred as defined by the HPC.
- 3.18 We understand that there is a current working total of 28 posts that the HPC has identified as meeting its requirements across fitness to practise and registration. However, it is estimated by the GSCC that just over 70 employees of the GSCC could fall within the scope of the functions being transferred. The total of employees within scope may inevitably change as some employees may decide to leave voluntarily during the period until the GSCC is abolished.
- 3.19 The HPC's risks in this area have now therefore shifted from clarifying the position in relation to the transfer of functions towards the practicalities for implementing the agreed position on the transferring employees.
- 3.20 At the point of transfer, we understand that GSCC employees within the scope of transfer will become HPC employees. Following the transfer, employees undertaking similar roles to ones in HPC will go into a "pool", along with those HPC employees occupying similar roles. This means that there may then be a competitive process to decide who is appointed into the posts available, if there are more people in the pool than there are jobs available. Those in the "pool" will be placed at risk of redundancy and the HPC will need to select the required number of individuals from the pool on the basis of appropriate competitive selection criteria that have still to be agreed.
- 3.21 The individuals that are unsuccessful will be made redundant unless suitable alternative employment can be found for them elsewhere within the HPC. The pooling exercise and appointment decisions will be managed by the HPC. We understand that the Coalition Government has committed to funding the costs of any redundancies, although this has still to be confirmed formally.
- 3.22 The main areas that the HPC needs to focus upon going forward are therefore establishing robust arrangements to manage the human resources aspects of the transfer. Some dependence still currently remains upon the GSCC, since it is the current employer of these individuals and will be responsible for identifying those individuals occupying the seven roles that will transfer from the GSCC to the HPC, and providing the HPC with their employment details and personnel files. The GSCC will also need to provide the HPC with details of those employees currently included within the pool that have left their jobs during the period until the GSCC is abolished, and what, if any, arrangements have been made for their replacement.

Register transfer

- 3.23 Over 100,000 registrants are included on the social care register maintained by the GSCC on its OSCAR registration system.

- 3.24 It is intended that these registrants will be recorded on the HPC's registration system Netregulate from April 2012. The data therefore needs to be transferred accurately from the GSCC's register to Netregulate.
- 3.25 We noted that the HPC has already begun to define the data that it wishes to be migrated from GSCC and the format of the migration. The HPC has indicated it will require three years of data from the GSCC. A joint workshop with GSCC took place during January 2011 to progress this matter. There will also be a substantial amount of data which will not be transferred to HPC but to other bodies such as the College of Social Work. This will be covered by the GSCC's own transition planning.
- 3.26 We understand that the HPC's Registration team are scheduled to meet with the GSCC in March 2011 to discuss operational issues in relation to the transfer of registration data.
- 3.27 It is currently proposed that the majority of data will be transferred from the GSCC in accordance with the HPC's information transfer protocols, which have worked successfully in the past. The security of the personal details of registrants will be protected by password and encryption controls. Any paper records will be sent to the HPC's archive with Deepstore where it will be sorted before being transferred to the HPC's offices in Kennington.
- 3.28 The quality of the data remains a significant concern and the GSCC is likely to need to undertake at least some of the work to cleanse the data and ensure it is a usable format for the purposes of the HPC.
- 3.29 The GSCC's social care register includes over 17,000 social work student registrants. At this stage the HPC has only committed to maintain a register of qualified social workers. The new legislation will permit the HPC to establish voluntary registers, which may enable social work students to retain some form of registration once the GSCC is abolished.
- 3.30 We noted that the HPC has agreed to carry out an impact assessment and a consultation with stakeholders later this year looking at the issue of student registration and specifically whether social work students should be registered. Council will then make a formal decision on the issue. The future registration of social work students therefore remains under discussion at the current time.
- 3.31 The main areas that the HPC needs to focus upon going forward are therefore working with the GSCC to better understand the nature, format and location of its registration data and to devise a detailed and effective plan with the GSCC for transferring the various elements of the data.
- 3.32 Until a decision is taken in relation to voluntary registration of social work students, this data will also need to be included in the project work to transfer information from the GSCC to the HPC.

Fitness to Practise casework

- 3.33 The principal risk identified by the HPC at this stage in relation to Fitness to Practise casework is that the cases transferred from the GSCC have been poorly managed.
- 3.34 The consequences of this could be that the costs of processing these cases are excessive following the transfer of the register.
- 3.35 In addition, there is a risk that if there is a significant backlog of cases at the point of transfer of regulatory functions, absorbing this within the existing workload of the HPC could be problematic. As at January 2011, the GSCC had around 1,000 live cases including student conduct cases.
- 3.36 We noted that the HPC's Fitness to Practise team met with the GSCC in February 2011 to discuss the operational issues in relation to the transfer of casework. This is to be followed up by regular meetings and contact with the GSCC during the lifetime of the transfer project.
- 3.37 Subject to the provisions of the transfer order, the HPC is planning to assess each GSCC case to determine whether it meets the HPC standard of acceptance for allegations and whether it should be referred to the investigating committee to determine whether there is a case to answer. It is proposed that legal advice will be sought on all cases and the Director of Fitness to Practise will make the decision as to the applicability of the just disposal criteria.
- 3.38 The HPC is also proposing to undertake a triage of all transferred cases before opening the register. Specific legal advice will be sought regarding particular potentially problematic cases.
- 3.39 At this stage the HPC expects the GSCC will be able to deliver its responsibilities to ensure that fitness to practise casework is transferred effectively to the HPC and that it will continue to operate during the period until the GSCC is abolished. However, in the event that the GSCC is unable to meet its responsibilities, clause 205 of the Health and Social Care Bill 2011 provides the HPC with powers to perform the functions of the GSCC, which it will be able to exercise once the Bill has received Royal assent. The HPC could therefore begin to tackle any such issues should they arise before the GSCC is abolished. This would however be likely to have significant resource and cost implications.
- 3.40 We understand that the CHRE will also be kept informed of any issues arising. In our view working closely with the CHRE is an essential risk mitigation, since that organisation is the HPC's regulator and has also been involved previously with monitoring the GSCC's performance in relation to the case management issues referred to above in paragraph 3.5 of this report. The CHRE will also be involved in the triage arrangements including any decisions to close specific cases.

- 3.41 In view of its previous weaknesses the GSCC's fitness to practise case work must be a key area of focus for the HPC. There remain significant uncertainties regarding the quality of this casework, the potential residual backlog and also the ability of the GSCC to continue to operate effectively in this area in particular during the period to its abolition. We understand that regular meetings and contact with the GSCC are therefore to continue during the lifetime of the transfer project.

Financial matters

- 3.42 The principal financial risks that have been highlighted by the HPC to date include:
- The HPC's costs of the transfer are not fully covered by the grant provided by the Department of Health; and
 - A percentage of the GSCC's TUPE/ non-TUPE liabilities fall ultimately to the HPC.

Costs of transfer

- 3.43 We noted that grant funding amounting to £360,000 has been confirmed by the Department of Health for the coming financial year to support the HPC's work towards the transfer of functions. The HPC has been able to estimate the likely costs of transfer on the basis of its previous experiences of on-boarding groups of health professionals. In our view this is a reasonable approach to adopt at this stage.

- 3.44 However, the risk remains that the grant funding will not ultimately cover all of the HPC's transfer costs, since additional financial information may emerge from future discussions with the GSCC that may cause the HPC to revise its assumptions. In these circumstances the HPC would need to renegotiate its funding with the Department of Health.

- 3.45 Furthermore, although it is currently anticipated that the GSCC will continue to operate effectively in the period until its abolition, there is a risk it may struggle to deliver its responsibilities if any key employees decide to leave before the transfer is completed. If the HPC is required to exercise the powers granted to it under clause 205 of the Health and Social Care Bill 2011 (once the Bill receives Royal assent) to perform the functions of the GSCC it would inevitably incur additional costs (which could be considerable) and the HPC would need to renegotiate its funding with the Department of Health.

GSCC liabilities

- 3.46 Since the GSCC is to be abolished, resolving the future of its existing employees is an important matter that needs to be addressed. The responsibility for this rests with the GSCC as their employer, although (as described in the paragraphs above) up to 73 employees are likely to transfer to the HPC.

- 3.47 The HPC will need to place these individuals into pools, in some cases alongside those HPC employees occupying roles which are similar to or interchangeable with the transferring GSCC roles.
- 3.48 The HPC would then be responsible for running competitive selection processes, if the number of employees in a particular pool is greater than the number of jobs available. The HPC will need to try to identify suitable alternative employment for any employee, either former GSCC or HPC, who is unsuccessful in obtaining a role. If it is not possible to find suitable alternative employment for individuals, then they will need to be made redundant..
- 3.49 A key mitigation that has recently been put into place in relation to this is the formal agreement dated 28 January 2011 between the HPC and GSCC regarding potential employee transfers. We also understand that the Coalition Government has committed to funding the costs of any redundancies, although this has still to be confirmed formally.
- 3.50 We understand that the 28 positions that the HPC has identified as meeting its requirements across fitness to practise and registration are anticipated to be funded (together with all other incremental processing costs) through the registration fees of qualified social workers.
- 3.51 It is not currently anticipated by management that the HPC will be required to take on any of the residual liabilities of the GSCC. The Health and Social Care Bill 2011 refers to a transfer of functions rather than the assets and liabilities of the GSCC.
- 3.52 This appears to be a reasonable approach for the HPC to adopt at this stage, although additional financial information may emerge from future discussions with the GSCC that may cause the HPC to revise its assumptions. For example, there may be some social worker registrants who will have pre-paid some of their registration fees at the date of transfer of functions due to the timing of the GSCC's registration renewal cycle. The impact of this upon the HPC's financial accounting therefore needs to be confirmed.
- 3.53 We noted that further discussions are planned to continue throughout the coming year between the HPC, GSCC and the Department of Health to clarify financial matters.

Other potential financial issues going forward

- 3.54 We noted that a paper setting out the HPC's current office accommodation strategy was last presented to the September 2010 meeting of the Finance and Resources Committee. This followed on from a previous paper presented in November 2009.
- 3.55 It was recognised at that time that this was likely to require updating to reflect the potential impact of the transfer of the GSCC's regulatory functions to the HPC. Now that the likely number of additional positions are better known the accommodation strategy needs to be reviewed to ensure that it still addresses the HPC's requirements going forward. This may have cost implications for the HPC.

- 3.56 At present social work students can be registered with the GSCC. As we have noted above the HPC will be undertaking an impact assessment and consultation with stakeholders in relation to this matter to determine whether it will enable to students to register with the HPC on a voluntary basis.
- 3.57 Part of this assessment will inevitably need to consider the cost implications of a voluntary register and whether it is possible for reduced rates for student registrants to be provided as is currently the case at the GSCC, where the annual student registration fee is at present £10.
- 3.58 The main financial areas that the HPC needs to focus upon going forward are therefore obtaining a more detailed understanding of all the potential costs of the transfer, including any potential liabilities that the HPC may inadvertently inherit from the GSCC and the costs of accommodating any transferring employees.
- 3.59 A decision also needs to be taken regarding the registration of student social workers so that any potential financial impact can be managed.
- 3.60 Finally, the HPC needs to work closely with its external auditors to ensure that the transfer of functions is correctly recorded and disclosed in the HPC's financial accounts for the year ended 31 March 2012. Consideration should also be given to any additional disclosures that may be required in the annual report and financial statements for the current year.

Cultural matters

- 3.61 The highest priority cultural matter is the impact of the transfer of regulatory functions from the GSCC upon the culture of the HPC. Key changes that are apparent at this stage are the change of name of the organisation to HCPC and the addition of around 28 positions to meet its requirements in relation to fitness to practise and registration of social workers. We understand that the change of name is not the most significant concern for the HPC. The new name HCPC selected by Council reflected the organisation's view that the likely cultural change will be minimal.
- 3.62 The new name was selected by Council for the following principal reasons:
- It affords a strong degree of continuity with the current name and function which would reduce the time and cost of re-establishing name recognition and would minimise visual identity change costs;
 - Retaining the word 'Health' reflects the majority of the professions and individual registrants that the HPC currently regulates and will continue to regulate in the future.
 - Adding the word 'Care' reflects the work of some of the professions the HPC currently regulates and some of the additional professions that it may regulate in the future.

- It offers a compromise between those professions and registrants who regard themselves to be in the 'health' arena and those who regard themselves to be in the 'care' arena; and
 - It affords greater scope and flexibility for the future (for example if the Coalition Government directs the HPC to regulate additional professions).
- 3.63 We noted that management is putting into place all of the controls that we expect to see in the period before a change of an organisation's name. Communication to managers and employees is to be provided on a regular basis throughout the coming year when the new name is finally adopted.
- 3.64 The addition of around 28 positions appears to be a more significant development. Now that an agreement has been reached with the GSCC regarding the identities of the posts and the number of occupants of these posts that are likely to transfer to the HPC, the HPC can also begin to establish the controls necessary to manage any concerns of its existing employees and those that may be transferred from the GSCC in relation to this matter.
- 3.65 The HPC's employee assistance scheme will remain in place to provide confidential support to any employees with concerns.
- 3.66 Nevertheless, the impact of the process of pooling HPC and GSCC employees who occupy roles which are similar or interchangeable, selecting between them if there are too many people compared with the number of jobs available and managing any resulting redundancies if suitable alternative employment cannot be identified may have an adverse impact on the culture of the HPC, which has not been through a similar process before.
- 3.67 This therefore appears to be the main area for the HPC to focus upon in relation to cultural matters over the coming year. In the longer term, Council and management will need to reconsider the organisation's Strategic Intent to provide it with an opportunity to set out the ambitions of the new HCPC positively and to ensure that it reflects the expectations of stakeholders including the Coalition Government.

Overall management and reporting framework

- 3.68 Following discussion at the Council away day workshop held in October 2010, members felt that they would like to receive further regular briefings in between Council meetings on the ongoing work in relation to the transfer of the regulatory functions from the GSCC to the HPC in order to fulfil their scrutiny role.
- 3.69 Council agreed that updates would be sent electronically to members between meetings and there would be a standing item on every Council and Committee agenda whereby the Executive would update the meeting on the progress of the project. Key areas where Council requested regular information include:

- The transition project (covering the practicalities of the transfer described in the previous paragraphs).
 - Legislative timetable; and
 - Department of Health/ GSCC meetings.
- 3.70 These matters have been described in detail in the paragraphs above and have not therefore been repeated in this section.
- 3.71 From our review of Council minutes we noted that this information has been provided and we understand that when information has become available it has been shared with Council members.
- 3.72 We also noted that the Audit Committee has been provided with regularly updated versions of a risk register that has been specifically prepared for the transfer of functions.
- 3.73 Council also requested regular information regarding the work of the:
- Social Work Reform Board; and
 - Social Work Regulation Oversight Group.
- Social Work Reform Board*
- 3.74 The Social Work Reform Board (SWRB) was set up to take forward the recommendations of the Social Work Task Force for the reform of social work, led by the social work sector itself.
- 3.75 It aims to unite employers of social workers, educators, regulators, service users, government and the social work profession itself, to bring about social work reform. The SWRB was set up in January 2010 and is chaired by Moira Gibb, who had also chaired the Social Work Task Force.
- 3.76 The remit of the SWRB is wide ranging and has particular relevance to the education and training of social workers, their regulation and handling professional conduct issues.
- 3.77 We noted that the SWRB meetings have taken place mainly on a bi-monthly basis since it was established in January 2010 and that the HPC Chief Executive and Registrar and the HPC Chair have attended its meetings since November 2010. The next meeting is scheduled for March 2011.
- 3.78 We understand that Council members are now being provided with periodic updates as to the work of the SWRB as the meetings take place.

Social Work Regulation Oversight Group

3.79 The role of the Social Work Regulation Oversight Group (“SWROG”) is to advise the Department of Health and Department for Education on planned and cost effective action to:

- Transfer the regulation of social workers from the GSCC to the HPC;
- Maintain the safety and well-being of children and vulnerable adults by enabling a smooth transition of statutory functions– including those responsibilities set out in the Care Standards Act (2000) and other relevant legislation;
- Ensure this work is supportive of related work on social work reform; and support the distinctiveness of the social work profession; and
- Ensure this work proceeds with reference to UK-wide interests in regulation of health and social care.

3.80 Its principal objective is to oversee the transfer of functions and the abolition of the GSCC.

3.81 The membership of the SWROG is as follows:

CHRE Chief Executive (Chair)
Chair of the Social Work Reform Board
Director of Professional Standards, Department of Health
Social Care Workforce and Commissioning, Department of Health
HPC Chief Executive
GSCC Chief Executive
Director, Workforce Group, Department for Education

3.82 Various matters that have been discussed to date by the SWROG have included:

- Change of name for the HPC;
- TUPE issues regarding the transfer of functions;
- Standards and education and proficiency for social workers;
- The passage and timetable for the Health and Social Care Bill 2011;
- Members of Council and Fitness to Practise panels;

- Handling of appeals to Fitness to Practise rulings; and
 - Transfer/ transition programmes.
- 3.83 We noted that the SWROG meetings are taking place on a monthly basis. It has been agreed by the members that the SWROG will continue to meet each month at least until June 2011. Further meetings may be considered if necessary during the passage of the Bill.
- 3.84 We understand that Council members are now being provided with periodic updates as to the work of the SWROG as the meetings have taken place.
- 3.85 We have therefore concluded that Council has been provided with sufficient information in relation to the transfer of functions from the GSCC to the HPC at this stage. Evidently further information will need to be provided as more details regarding the specific aspects of the transfer and the wider social work reform agenda emerge.

4 Suggested main areas of focus going forward

RISK AREA	HIGHLIGHTED POTENTIAL ISSUES	AREAS FOR MORE DETAILED FOCUS
GSCC employee issues	<p>The main areas that the HPC needs to focus upon going forward are establishing robust arrangements to manage the human resources aspects of the transfer.</p> <p>Some dependence remains upon the GSCC since it is the current employer of these individuals and will be responsible for identifying occupants of the seven roles that will transfer to the HPC and providing the HPC with their employment details and personnel files. The GSCC will also need to provide the HPC with details of those employees that have left their jobs during the period until the GSCC is abolished. and what, if any, arrangements have been made for their replacement. .</p> <p>We understand that the Coalition Government has committed to funding the costs of any redundancies, although this has still to be confirmed formally.</p>	<ul style="list-style-type: none"> • Identifying the occupants of the seven roles that will transfer to the HPC; • Obtaining and maintaining details of these individuals • Devising appropriate selection processes for those employees to be appointed or retained by the HPC following the transfer and for integrating any former GSCC employees within the organisation; and • Devising appropriate arrangements to process redundancies and ensuring this is suitably funded.

RISK AREA	HIGHLIGHTED POTENTIAL ISSUES	AREAS FOR MORE DETAILED FOCUS
Register transfer	<p>The main areas that the HPC needs to focus upon going forward are working with the GSCC to better understand the nature, format and location of its registration data and to devise a detailed and effective plan with the GSCC for transferring the various elements of the data.</p> <p>Until a decision is taken in relation to voluntary registration of the social work students, this data will also need to be included in the project work to transfer information from the GSCC to the HPC.</p>	<ul style="list-style-type: none"> • Identifying and confirming the data records held on the GSCC's OSCAR system and elsewhere; • Data cleansing; • Practicalities and timetable for their transfer to the HPC; and • Determination of action to be taken in relation to the GSCC's student registrants.
Fitness to Practise casework	<p>In view of its previous weaknesses the GSCC's fitness to practise case work must be a key area of focus for the HPC. There remain significant uncertainties regarding the quality of casework, the potential residual backlog and also the ability of the GSCC to continue to operate effectively in this area in particular during the period to its abolition.</p>	<ul style="list-style-type: none"> • Confirming the arrangements with the GSCC for the triage and review of case files (with legal advice); • Ensuring that the HPC remains aware of the scale of the GSCC's backlog of casework and keeping up to date with any employee departures within the Fitness to Practise team at the GSCC that may jeopardise that organisation's ability to continue to manage its casework effectively.

RISK AREA	HIGHLIGHTED POTENTIAL ISSUES	AREAS FOR MORE DETAILED FOCUS
Financial matters	<p>The main financial areas that the HPC needs to focus upon going forward are obtaining a more detailed understanding of all the potential costs of the transfer, including any potential liabilities that the HPC may inadvertently inherit from the GSCC and the costs of accommodating any transferring employees.</p> <p>A decision also needs to be taken regarding the registration of student social workers so that any potential financial impact can be managed.</p> <p>Finally, the HPC needs to work closely with its external auditors during the coming year so that they understand the implications of the transfer of functions and that these are correctly recorded in the HPC's financial accounts for the year ended 31 March 2012.</p>	<ul style="list-style-type: none"> • Review of all likely costs of the transfer including the impact of registrants (deferred income) balances and any additional accommodation requirements for the new employees; • Student registrant fees need to be determined if it is decided that a voluntary register is to be maintained; • Consideration of the consequences of the transfer upon the HPC's financial statements for 31 March 2012 which could need to record provisions for redundancies (depending on the actual timing of the transfer) and registrant deferred income balances; and • Consideration of any additional disclosures that may be required in the annual report and financial statements for the current year.

RISK AREA	HIGHLIGHTED POTENTIAL ISSUES	AREAS FOR MORE DETAILED FOCUS
Cultural matters	<p>The impact of running redundancy selection processes and managing any resulting redundancies may have an adverse impact on the culture of the HPC, which has not been through a similar process before. This therefore appears to be the main area for the HPC to focus upon in relation to cultural matters over the coming year.</p> <p>In the longer term, Council and management will need to reconsider the organisation's Strategic Intent to provide it with an opportunity to set out the ambitions of the new HCPC positively and to ensure that it reflects the expectations of stakeholders including the Coalition Government.</p>	<ul style="list-style-type: none">• Management arrangements for dealing with the redundancy programme and integrating those transferring employees within the HPC; and• Ensuring a positive direction is set for the organisation as it changes its name through revising the Strategic Intent and other documentation.

5 Assurance definitions

Assurance Level	Definition
Sound	<i>Satisfactory design of internal control that addresses risk and meets best practice and is operating as intended.</i>
Satisfactory	<i>Satisfactory design of internal control that addresses the main risks but falls short of best practice and is operating as intended.</i>
Satisfactory in Most Respects	<i>Generally satisfactory design of internal control that addresses the main risks and is operating as intended but either has control weaknesses or is not operating fully in some significant respect.</i>
Satisfactory Except For.....	<i>Satisfactory design of internal control that addresses the main risks and is operating as intended in most respects but with a major failure in design or operation in the specified area.</i>
Inadequate	<i>Major flaws in design of internal control or significant non operation of controls that leaves significant exposure to risk.</i>