

**General Optical Council Annual Report,
Annual Fitness to Practise Report and
Financial Statements for the
Year Ended 31 March 2019**

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(registered charity number 1150137)**

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by schedule 2 paragraph 3 of the Health Care and Associated Professions (Miscellaneous
Amendments) Order 2008

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MESSAGE FROM THE CHAIR

As we enter the final year of our current strategic plan, it is good to look back at our achievements over the past 12 months and the progress we have made on some of the big strategic issues still facing us.

Whenever I speak to registrants and stakeholders it is abundantly clear how fast the optical professions are changing, with developments in technology, the healthcare environment within which our professions work and in the market place, not to mention the impact of an ageing population.

That's why it is so vital that we make progress on the Education Strategic Review (ESR), which is focussed on the initial education and training that our registrants require in order to practice and on the Continuing Education and Training (CET) Review, which is looking at continual professional development post qualification.

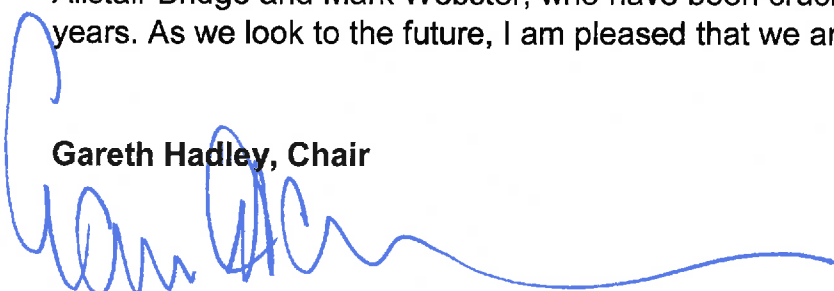
This year, we took the decision to align the two reviews to ensure that our collective vision for education is coherent and its implementation planned with an eye to the time needed for other institutions, particularly our education providers, to prepare for change. But our determination to see change through is undiminished and we will continue to build on the work of the past year in developing exciting proposals for the future of optical education.

We have also taken a significant step forward this year with the development of our new Business Standards. When we last updated our standards for individual registrants the point was made strongly that responsibilities for individuals need to be matched by responsibilities for employers, who control so many of the contextual factors that affect the practice of eye care professionals. Our new Business Standards, now published, fulfil that requirement and will come into effect in October 2019.

Internally, due to unforeseen circumstances, we have had three Chief Executives throughout the year, with all of the disruption that is bound to create, but throughout that period our staff remained admirably dedicated to carrying out their core public protection functions and delivering an excellent service to our registrants. No-where was this more evident than in the closure of the 3-year CET cycle at the end of December, with many registrants seeking the help of the GOC in getting over the line with their CET points. The vast majority of registrants met their CET requirements and many exceeded them by a long margin.

I'm delighted that as we now look to the future and our new strategic plan we have a strong Senior Management Team in place. Lesley Longstone has made a big impact in her short time in the Chief Executive role, and is ably supported by Dr Subo Shanmuganathan and Dionne Spence, both experts in their field who have joined in recent months, and by Alistair Bridge and Mark Webster, who have been crucial to our success over the past few years. As we look to the future, I am pleased that we are in such safe hands.

Gareth Hadley, Chair



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MESSAGE FROM THE CHIEF EXECUTIVE

As the Chair has said, 2018/19 was a year of significant change at the top of the organisation but our dedicated team of staff ensured that we continued to deliver a strong public benefit across all four of our core regulatory functions.

In Standards, we agreed our new *Standards for Optical Businesses*, which are now published and will come into effect on 1 October 2019. The new standards will make our expectations of business registrants much clearer, particularly in the context of changes in optical practice, including the development of remote services. We also published draft guidance on disclosing confidential information, reflecting our registrants' desire for help in deciding when they might need to override patient confidentiality in the public interest, for example by telling the DVLA if a patient is not fit to drive.

In Education, our Education Strategic Review continued apace. It was reassuring to see support for our direction of travel but we know we still have work to do to get the detail right and to make sure that the implementation is well planned. Our stakeholders have made a tremendous contribution throughout the review and we look forward to working with them as we take forward our reforms.

We rolled out significant improvements to MyCET and closed the 3 year CET cycle this year with 98% of registrants meeting requirements, (97% of registrants overall renewed for 2019/20).

In Registration, we introduced new processes for optometrists and dispensing opticians coming from outside the European Economic Area to apply for registration and we undertook contingency planning for our exit from the European Union with or without a formal agreement.

For the first time this year, we collected equality and diversity information as part of the registration process and were delighted with the response. The vast majority of registrants provided us with the data we sought, giving us our best picture ever of the make-up of the professions. The value of the data was immediately apparent when we discovered that male and Black, Asian and Minority Ethnic (BAME) registrants are more likely to be subject to fitness to practise complaints, something that we intend to explore in further detail in future.

And in Fitness to Practise, we introduced two new policies to help make the process fairer and more efficient. Consensual Panel Disposal will allow us to conclude fitness to practise cases without a contested hearing in cases where the registrant has admitted the allegation in full. New Acceptance Criteria will also help filter out a number of issues that come to our attention that do not amount to an allegation of fitness to practice and can be more quickly and effectively dealt with as a complaint.

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We have invested heavily in Fitness to Practise over the past year, creating a new team with resources to progress cases more quickly, in the interests of patients and registrants alike. While there is much further to go, I was delighted to see the number of open cases drop each month over the last quarter of the year and the average age of cases closed dropped by three months over the year. We know there is more work to do in this area but we are determined to succeed.

Delivery of our core regulatory functions will remain our number one priority in 2019/20 but this will also be a very exciting year as we progress a number of our existing strategic reforms and as we support Council in developing our next strategic plan for 2020-25.

We continue to invest to improve on the delivery of all core regulatory and support functions through planned deficit budgets. This involves the continued use of reserves, however, we are also focused on returning to delivering balanced budgets in the near future, thus maintaining a healthy level of reserves.

I'm delighted to be leading that work with the engagement of all our staff, who are so committed to doing the right thing, by patients and by our professions, but we also recognise the need to learn from other professional regulators and to listen to our stakeholder community, so that together we make sure that optical regulation is fit for 2020 and beyond.



Lesley Longstone, Chief Executive and Registrar

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INTRODUCTION

The trustees present their report on the activities we have undertaken over 2018/19 to fulfil our statutory role and charitable purpose, and financial statements for the year ended 31 March 2019. In preparing this report, the trustees have complied with the Charities Act 2011 and applicable accounting standards. The statements are in the format required by the Charities Statement of Recommended Practice (SORP) FRS 102. We have complied with the guidance of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities we undertake.

We are the regulator for the optical professions in the UK. As of 31 March 2019, there were 31,368 optometrists, dispensing opticians, student opticians and optical businesses on our register, who are known as our 'registrants'. Our charitable purpose and statutory role is to protect and promote the health and safety of members of the public by promoting high standards of professional education, conduct and performance among optometrists and dispensing opticians and those training to be optometrists and dispensing opticians.

We have four core functions:

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

Most of our income comes from registrant fees and is used to further our charitable purpose. **Table one** sets out the annual fees that registrants are required to pay for entry or retention on our register. In 2018/19, we implemented an increase across all fee levels, with the exception of students, in line with inflation. In 2018/19 the standard fee was £340 which has been increased to £350 for 2019/20.

Table one: annual registrant fee

Fee levels	2018/19	2017/18	2016/17	2015/16
Optometrists	£340	£330	£320	£310
Dispensing opticians	£340	£330	£320	£310
Corporate bodies	£340	£330	£320	£310
Students	£30	£30	£25	£25
Low income fee	£240	£230	£220	£210

Table two shows a breakdown of registrants across the UK measured on 31 March 2019 and compares this with the previous three reporting years. We report separately on the diversity of our registrants and registrants subject to FTP investigations, which is available on our website: www.optical.org/en/news_publications/Publications/equality-and-diversity-reports.cfm

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Table two: total number of registrants in each GOC category

	31-3-19	%	31-3-18	%	31-3-17	%
Optometrist	16,039	51%	15,304	51%	15,151	51%
Dispensing optician	7,032	22%	6,768	22%	6,705	22%
Student optometrist	3,761	12%	3,604	12%	3,489	12%
Student dispensing optician	1,753	6%	1,824	6%	1,898	6%
Business registrant	2,783	9%	2,597	9%	2,640	9%
TOTAL	31,368	100%	30,097	100%	29,883	100%

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OUR STRATEGY AND PERFORMANCE

Our strategic plan 2017–20 provides the focus for our work in delivering public benefit. Our objectives are summarised in **Figure one** below.

Figure one: summary of strategic objectives



In 2018/19 we worked on nine projects, grouped under our three strategic objectives. We also focused on the effective and efficient fulfilment of our regulatory, statutory and support functions, and on building our capacity and capability to ensure delivery of our strategic plan.

PERFORMANCE AGAINST OUR STRATEGIC OBJECTIVES

Education strategic review

The roles that optometrists and dispensing opticians play in delivering eye care is continuing to evolve due to technological changes and the increased prevalence of enhanced clinical services. These changes are likely to challenge the boundaries of existing scopes of practice and have an impact on the types of services provided by optical businesses. Concerns have also been raised about the existing system of education and training:

- Newly qualified registrants are not sufficiently prepared to practise (employers' and trainees' perspective);
- Supervision and pre-registration support is inadequate (students' perspective);
- The GOC, as regulator, is restricting innovation through being too prescriptive (education providers' perspective);

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- Data integrity and comparability across the routes to registration (particularly the academic and qualifying exams) is not clear (GOC's perspective); and
- Current 'national exams' are not agile and prevent education from developing to match current practice (education providers and employers' perspective).

We are therefore undertaking a strategic review of optical education and training. We are reviewing the sector and making recommendations regarding the education and training leading to GOC registration, to ensure they equip students to meet the future needs of the sector and patients. We have made considerable progress towards this objective during the year, having:

- Gained broad agreement for the principles, as identified in the 'concepts and principles' consultation and through extensive stakeholder engagement across the UK and internationally;
- Continued to undertake extensive evidence-gathering to underpin our future recommendations and feed into policy development for a new approach to regulating optical education;
- Conducted a public consultation on draft Education Standards for providers and Learning Outcomes for students; and
- Continued to design our implementation plan.

Education approval and quality assurance (A&QA) function

This has been a successful year in which we conducted a review of our current approval and quality assurance processes to ensure they remain fit for purpose and dovetail with our future A&QA policies and processes.

Additional guidance and policies have been developed, including the Recognition of Prior Learning guidance. We also issued 'Notification of Reportable Events and Changes' guidance for education providers as a standalone document and as a supplement to the Annual Monitoring and Reporting (AMR) process. This guidance sets out the key events and changes that we expect providers to notify us of. This should improve the consistency of reporting in the sector and enable our regulatory work to be carried out in a more proportionate and targeted way.

Our internal triage process has been strengthened which resulted in efficiency savings and our management of some risks in a more streamlined manner. We have also increased our stakeholder engagement – hosting a variety of workshops, provider forums and establishing a new model of stakeholder management for handling new applications to gain GOC approval.

Continuing Education and Training (CET) Review programme

As part of our CET review we conducted a consultation on the key principles of change from July to September 2018, which garnered 989 responses from registrants, optical sector organisations and other stakeholders. The report has been published on our website and new consultation platform. The report was positive about giving more control to registrants over their continuing professional development while retaining a core for

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revalidation purposes and to prevent de-skilling. The consultation outcomes have been used to plan a programme of projects focussed on key areas for change, including:

- promoting and enhancing reflective practice skills for learning and development
- rebranding the scheme to promote continuing professional development
- supporting supervision in practice and education
- supporting the transition from education to practice
- reviewing the underlying standards for CET to ensure balance between clinical and professional requirements of practice
- review of the approvals process to ensure proportionality

The GOC has commenced two pieces of data collection. Firstly, we are updating our understanding of the risks of the profession and have commissioned Enventure Ltd to carry out research in this area. The first stage involved an online survey where we received around 2,600 responses from a range of stakeholders across the sector. This will be followed up by stakeholder organisation interviews and registrant focus groups across all the nations to explore some of the issues in more depth. We are also analysing data from GOC fitness to practise cases, complaints to the Optical Consumer Complaints Service and some external insurance company complaints data. The research is due to be completed in July 2019. Secondly, we are conducting an evaluation of the previous CET cycles in terms of registrant behaviour and GOC performance.

CET operations

Over the past year we have undertaken a number of activities to enhance our CET system and assist registrants in meeting their requirements as we approached the end of the three-year cycle on 31 December 2018. This included:

- The appointment and induction of a new Chair of CET approvers plus two deputies following retirement of previous Chair.
- Appointment of Synaptiq Ltd trading as Perceptive to undertake maintenance and future development of the MyCET online platform following a full EU tender process.
- A complete overhaul of the MyCET system to bring it up to date in terms of look and feel and improve accessibility and usability. This also included enhanced guidance and tools for reflecting on practice in order for registrants to plan their CET. This was successfully implemented in January 2019 with a positive reception.
- The issue of targeted bulletins to CET providers and approvers, to increase provision of CET in areas that registrants were struggling to access and to improve the consistency of the CET approvals process
- Successful completion of the three-year CET cycle resulting in 98 % of registrants meeting their CET requirements and appropriate action taken against those failing to meet the requirements including consideration of 114 disputes, 106 exceptional circumstances and 392 removals from the register for CET non-compliance.

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Review of non-UK registration process

Our Council approved a new route to registration for optometrists outside of the European Economic Area (non-EEA) which took effect on 4 June 2018 (following discontinuation of the non-EEA examination run by the College of Optometrists).

The new process involves mapping the applicant's skills and experience against the GOC's stage 1 and 2 competencies, an interview between the applicant and our non-UK assessors, further academic training if required, followed by completion of the Scheme for Registration operated by the College of Optometrists. A fee of £200 was introduced for applicants that progress to the interview stage.

The new process is consistent with the UK requirements for registration and will ensure that the public is protected.

Business Standards

We published our new *Standards for Optical Businesses* on 8 April 2019 to come into effect on 1 October 2019. They have been updated to maintain consistency with and complement the *Standards of Practice for Optometrists and Dispensing Opticians* and will ensure patient safety in a fast-changing landscape faced with new technology, an ageing population and expanding scopes of practice.

To inform the development of these standards to ensure they were fit for purpose we completed an extensive consultation on draft standards that generated 358 responses to our public survey and a further 257 people participated in focus groups and interviews, including patients and the public (100 people), practitioners, business representatives, optical sector organisations and other stakeholders. The full report of the consultation is published on our website and consultation platform.

The standards have been received positively in most areas, with stakeholders appreciating the listening approach that GOC took and making meaningful amendments in response to stakeholder feedback. We will now move on to delivering the implementation plan to raise awareness and assist registrants in implementing the standards in practice. This will include production of videos, online tools, webinars and a Standards microsite.

Standards guidance

We also developed new draft guidance on disclosing confidential information about patients. The guidance will help GOC registrants to decide when they might need to override patient confidentiality in the public interest, for example by telling the DVLA (and potentially others) if a patient is not fit to drive due to inadequate eyesight. We are due to consult on this guidance as part of the 2019-20 business plan.

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Organisational change

We have made progress over the year on implementing IT improvements to help our organisational efficiency. We are identifying cost savings across the organisation to help aid our efficiency and continue to push for legislative reform that would further help us to operate efficiently.

How we measure our performance

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

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

How our performance is measured externally

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

We have not yet received the outcome of the PSA's performance review undertaken of our performance in 2017/18. The most recent assessment undertaken in 2016/17 assessed us as having met 22 of their 24 Standards of Good Regulation, including all of the standards for our Education, Registration and Standards functions. The standards we did not meet relate to the total time taken to process fitness to practise complaints and our triage process. In both areas we have made significant improvements in our performance since the period under review.

Our plans for 2019/20

In 2019/20 we enter the third year of our three year strategic plan focused on the following three strategic objectives.

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Learning & development of optical professionals

Deliver a strategic review of optical education and training and implement changes to ensure that optical professionals are fit to practise in line with our standards throughout their careers



Targeted approach to regulation

Build our evidence base and use the full range of our regulatory levers in a proportionate way to address risks to the public



Organisational transformation

Deliver high quality, efficient services to the public and registrants underpinned by a culture of evaluation and continuous improvement

In the final year of our three-year strategic plan we are focusing on the following four projects. These are grouped under our three strategic objectives. We will also be focused on the effective and efficient fulfilment of our regulatory, statutory and support functions and on building our capacity and capability.

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Project	Objectives, outcomes and planned activity
Education strategic review	Deliver a strategic review of optical education and training and implement changes to ensure that education programmes and qualifications leading to GOC registration equip students to meet patients' future needs, as technological change and the increased prevalence of enhanced services alter the roles that optometrists and dispensing opticians play in delivering eye care. In 19/20 – commence implementation following the consultation on draft Education Standards and Learning Outcomes.
Continuing Education and Training (CET) operational improvement and policy development	Implement changes to ensure the scheme operates effectively and registrants are safe to practise and encouraged to focus on continuous professional development. In 19/20 – develop changes to the CET system to further promote continuing professional development, while ensuring ongoing fitness to practise, and consult with stakeholders in Q4 on how the scheme might change from 2022.
Legislative Reform	Engage with the Government on reform of our governing legislation to help us operate more efficiently and effectively. In 19/20 – engage with the Government's legislative reform programme and prepare to implement the changes that are made; take opportunities to secure changes to our legislation that are achievable in the short term, such as removing the cap on the number of hearings panel members to enable us to hold more hearings; and develop detailed proposals for more substantial changes, such as the reform of business registration
Business Standards	Develop new standards for optical businesses which make the GOC's expectations clear, reflect good practice and are flexible enough for care to evolve. In 19/20, publish and implement new standards to ensure stakeholder understanding.
Efficiency programme	Devise and implement changes that address external issues, and deliver significantly improved outcomes for patients and the wider public, through improved operational efficiency. In 19/20 – progress changes to operate more efficiently across the business including in FTP and Governance. Continue to invest in IT with specific focus on improving our operating systems and working practices and developing a comprehensive case management system.

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OUR RISKS

Our approach to risk management is set out in our risk management policy. We consider that an effective risk management strategy and policy is fundamental to the achievement of all the GOC's strategic objectives and is an essential part of good governance.

Both Council and the Audit, Risk and Finance Committee discuss and review the principal risks and uncertainties regularly throughout the year. The Senior Management Team regularly monitors existing and emerging risks and identifies mitigating actions. We capture and monitor operational risks through our corporate and departmental risk registers. We have also carried out work to clarify our risk appetite.

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

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

Horizon scanning and being alert to emerging operational and strategic risks are part of ongoing business oversight. This is important because some of our key risks come from the external environment, which means we have to work with stakeholders to understand and identify the actions we can take to manage them. In particular, our business plan for 2019/20 explains the work we are doing to manage the risks that:

- significant delay or an inability to obtain legislative change prevents us from carrying out our role effectively and efficiently;
- technological change has a major impact on the way in which products are services delivered in the optical sector and that this affects our ability to protect the public;
- the system of education and training in the optical sector does not prepare students for the roles of the future and our system of Continuing Education and Training (CET) does not focus enough on promoting the professional development of existing fully-qualified registrants; and
- there is an impact on public protection as a result of Brexit, with the potential for this to increase if there is no withdrawal agreement.

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OUR PEOPLE

Our people are central to achieving our charitable purpose and strategic objectives.

Our people review

We continue to monitor staff engagement using an evidence based approach through an annual staff satisfaction survey conducted each autumn by an independent consultancy. For 2018-19, against the background of many executive changes and associated uncertainty within the organisation, overall scores for staff engagement, dropped from 52% to 37%. Overall staff engagement draws on answers to a number of questions to produce a single measure (LEVI: Leadership, Engagement, Voice and Integrity). Comparing the results to the benchmark data for the public sector, shows responses equal to or better than benchmark in 24 areas, and lower than benchmark on 16 areas. Full feedback has been shared with staff and action planning work continues to strengthen staff involvement and rebuild staff engagement. We will therefore continue to balance the need for the organisation to modernise with the need to fully engage our staff positively in the changes we are planning.

We continue to invest in our staff. We continue to review and if possible improve the range of benefits staff have access to. The staff survey reports 67% of staff are happy with their benefits package. Staff have been consulted on the current pay and reward framework to ensure any proposed changes for 2020/21 are equitable across the organisation.

The Staff Engagement Group continues to go from strength to strength with a full programme of activities provided in 2018/19 and arranged for staff for the next twelve months.

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

Our values

We have three core organisational values that inform our work: how we work within the organisation and how we work with registrants and stakeholders. Set out below are some of the ways in which our people have demonstrated our values over the last year.

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Responsible

- We have reformed our process for accrediting non-EEA applications to our registers.
- We ensured we are compliant with the new General Data Protection Regulations
- We listened to the professions and delayed the introduction of a new CET scheme until 2022, to ensure we have time to get it right.

Forward thinking

- Our Education Strategic Review is equipping registrants to meet the challenges of the future in a fast-changing sector, delivering a high standard of care for patients
- Love Your Lenses Week was an innovative approach to raising patient awareness of how to buy and wear contact lenses safely.
- Our new Business Standards will ensure that all businesses are clear about our expectations as the optical sector evolves

Principled

Introducing a new Acceptance Criteria and Consensual Panel Disposal in fitness to practise

Consulting on guidance for when registrants could override confidentiality

- Continuing to push for legislative reform in the optical sector

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

www.optical.org/en/about-us/mission-and-values/index.cfm

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OUR STRUCTURE, GOVERNANCE AND MANAGEMENT

Our legislation and our governance regulations

We are constituted as a body corporate under the Opticians Act 1989, as updated by amending legislation which came into effect on 30 June 2005. We are also registered as a charity by the Charity Commission in England and Wales (registered charity number 1150137). We are accountable to Parliament through the Privy Council, to the Charity Commission and to our beneficiaries. We aim to be transparent in the work we undertake and how our work delivers public benefit, including through this annual report.

Our Council

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

The primary functions of Council are:

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

Our Council is comprised of 12 members, of whom six are registrants and six are lay members (see page 23). Members are drawn from England, Wales, Scotland and Northern Ireland. Biographies can be viewed on [our website](#). One Council member is appointed as a Senior Council Member (SCM) to carry out the Chair's review, provide a sounding board for the Chair and serve as an intermediary for Council members, the Executive and stakeholders as necessary. Helen Tilley fulfilled this role throughout the reporting year.

There were no changes in Council membership during the year. Two members, Rosie Glazebrook and Glenn Tomison were re-appointed for a second term of four years in January 2019.

Effectiveness of governance

We believe that effective and robust governance ensures probity in the decisions we make and serves to increase confidence in our work. Council conducts its business in

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accordance with the seven principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty, and leadership.

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

- **Member review:** we refined and implemented our new process for reviewing individual member performance.
- **Terms of reference:** we updated the terms of reference for the Audit and Risk Assurance Committee, including adding to its responsibilities scrutiny of financial reports prior to their presentation to Council and accordingly changing its name to the Audit, Finance and Risk Committee.
- **Standing Orders:** we revised our Standing Orders.
- **Council performance:** we carried out an externally facilitated evaluation of Council's performance (see below).
- **Council roles:** we replaced the role of Council Champions with Council Leads, whose role is to assure Council of progress in relation to key areas of the business or significant projects.

Council evaluation

In June 2018, as per good governance practice, Council undertook an annual evaluation of its performance. There were high levels of satisfaction with composition and conduct, contribution and decision making and relationship with the CEO and Executive. There continued to be improvements in performance regarding appointment, appraisal, evaluation and training and corporate performance. There were lower levels of satisfaction with management of risk and stakeholder engagement. The actions agreed following consideration of the outcomes of the review were:

1. **Reflection and learning** - from past performance to build resilience. Including keeping a focus on financial sustainability, reviewing the decision-making process focusing on strategic issues, reviewing Council members role and responsibilities and reviewing the role of Council champions focusing on project oversight and assurance.
2. **Working together** – with more informal time to develop relationships and align thinking. Including ensuring an effective environment for concerns to be raised and recommendations challenged, not deferring to known experts and seeking alternative views, improving the provision of independent assurance information and evidence, developing a shared understanding of long-term plans, risks and issues and involving Council members in inductions and other interactions with staff.
3. **Business planning and budgeting** – for sustainable change to achieve a balanced budget. Including developing understanding of operating costs and agreeing a longer-term vision and plan with agreement of priorities which are realistic and achievable. Ensuring the plan is clearly communicated and used to measure performance and delivery.
4. **Develop stakeholder relationships** – focused on the future. Including the development of a clear engagement and communications strategy and development

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of key relationships, consideration of relevant horizon scanning, research and external developments and improvement of patient and public engagement.

Induction, review and development

All Council and committee members are inducted, developed and reviewed in accordance with our published policies. We hold routine induction sessions for newly appointed members, as an opportunity for members to meet each other and understand our challenges and priorities. Council members' individual performance is reviewed annually and, in general, committee members biennially. Reviews are used to support any recommendation for reappointment and identification of development requirements. The member development plan is designed to supplement areas of skills and knowledge that have been identified by members.

Members' conduct

Council (in their role as members and trustees) and committee members have a duty to act impartially and objectively and to take steps to avoid putting themselves in a position where their personal interests conflict with their duty to act in the interests of the charity, unless they are authorised to do so, and take steps to avoid any conflict of interest arising as a result of their membership of, or association with, other organisations or individuals. To make this fully transparent, we publish a [register of members' interests](#) on our website.

Fees

Member fees were agreed from 1 April 2018¹ in line with the member fees policy.

Attendance

The attendance record of Council members at Council and committee meetings and the fees and expenses of Council members are shown on page 23. There were 15 Council meetings held during the year: five in public and 10 in private, several of the latter to deal solely with specific confidential items. Council considers it has met sufficiently regularly to discharge its duties effectively. Council is committed to conducting its business in public; business will usually be transacted in private only if it is commercially or legally sensitive, a preliminary discussion on development of strategy or policy, or if the matter being discussed concerns an individual or specific group.

All Council members are required to take part in other activities such as induction, development, strategy, corporate performance and evaluation. All members are required to engage in their own performance review.

¹ https://www.optical.org/en/about_us/our-governance/index.cfm

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Fees and Expenses

	Registrant or lay member	Home location	Fees £	Expenses £	Council Meeting Attendance ¹	Committee meeting attendance
Gareth Hadley	Lay (Chair)	England	58,806	1,704	15/15	Nom 6/6, Rem 7/7
Sinead Burns	Lay	Northern Ireland	13,962	6,392	14/15	ARC 5/5, Companies 2/2
Josie Forte	Registrant	England	13,962	2,457	15/15	Companies 2/2
Mike Galvin	Lay	England	13,962	1,285	15/15	ARC 2/2, Standards 2/2, Education 4/4
Rosie Glazebrook	Lay	England	13,962	85	14/15	Nom 5/5, Registration 2/2
Scott Mackie	Registrant	Scotland	13,962	3,773	13/15	Education 3/4
Clare Minchington	Lay	England	13,962	174	15/15	ARC 5/5, Education 4/4
David Parkins	Registrant	England	13,962	-	13/15	ARC 5/5, Education 4/4
Roshni Samra	Registrant	England	13,962	969	8/15 ²	Registration 1/2
Helen Tilley	Registrant	Wales	17,073 ³	3,147	13/15	Rem 7/7, Nom 1/1 ⁴ , Standards 2/2,
Glenn Tomison	Registrant	England	13,962	2,518	14/15	Nom 5/5, Standards 2/2
Selina Ullah	Lay	England	13,962	2,116	15/15	Rem 7/7, Nom 1/1 ⁴ , Education 4/4

Key: Committees: Rem – Remuneration, Nom – Nominations, ARC – Audit, Risk and Finance

¹ All Council members are required to take part in other events such as strategy days, evaluations and performance appraisals, for which they receive no additional remuneration and which are not included in the attendance figures.

²Roshni Samra was on maternity leave for part of the year.

³ Senior Council Member

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⁴Rosie Glazebrook and Glenn Tomison were replaced on the Nominations Committee by Helen Tilley and Selina Ullah for one meeting at which their own reappointments to Council were considered.

SECTION ONE: HOW WE DELIVERY PUBLIC BENEFIT

Scheme of delegation

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

The Executive

Our Chief Executive and Registrar, Lesley Longstone, is responsible for the Executive, which is structured into four interlinked directorates. Decision-making powers are delegated to the Chief Executive and Registrar under the Opticians Act 1989 and other powers delegated from Council. In order to exercise these powers, some are delegated to other members of the Executive.

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

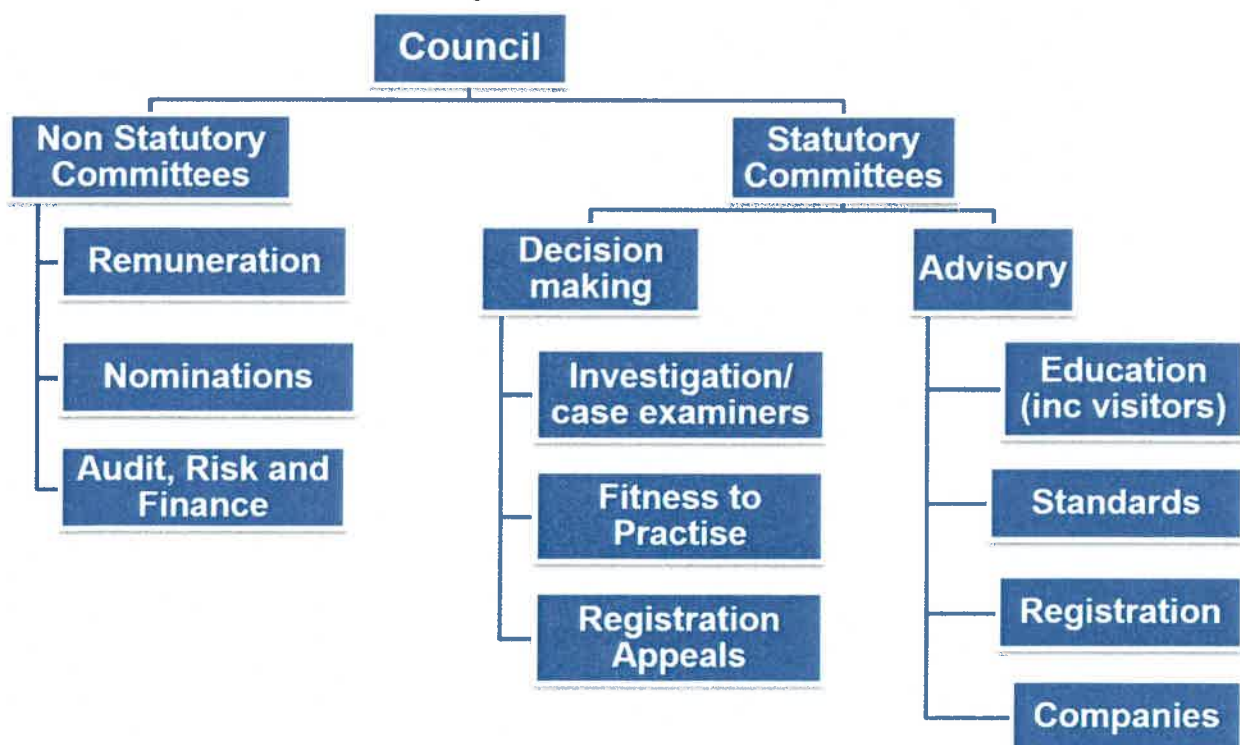
The Director of Casework and Resolution, Dionne Spence, has responsibility for four functions: case progression, hearings, Optical Consumer Complaints Service and legal.

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

The Director of Education, Subo Shanmuganathan, has responsibility for two functions: education and continuing education and training (CET).

Our governance structure

Our structure is illustrated in the diagram below.



SECTION ONE: HOW WE DELIVERY PUBLIC BENEFIT

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

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

Audit, Finance and Risk Committee

The committee scrutinises financial reports prior to their presentation to Council, advises and provides assurance to Council on audit, risk and some aspects of governance, and takes some decisions as delegated by Council. In addition to the Council members on the committee, Helen Dearden is appointed as an independent member and she attended all meetings during the year. The role of the independent member is to provide the committee with independent, objective and impartial advice and judgement on audit, risk, governance and charity governance matters. The Chair (Clare Minchington) satisfies the provision under the UK Corporate Governance Code that at least one member of the committee has relevant financial experience.

The committee undertook the following work during 2018/19:

- Scrutinised the quarterly financial performance reports and forecasts and the draft budget prior to their presentation to Council;
- Reviewed the annual report and accounts, budget-planning timetable and guidance, and external audit findings report, accounting and internal control recommendations;
- Monitored the effectiveness of the internal audit function, including remit and fees, and assessed and approved the internal audit plan;
- Received internal audit reports and monitored the Executive’s response;
- Monitored the effectiveness of the external audit provider and advised Council on their reappointment and fees;
- Advised Council on the adequacy of the various policies which fall under the remit of the committee, either approving them directly or recommending their approval by Council, as per the committee’s terms of reference;
- Reviewed the corporate risk register and provided Council with assurances and, where necessary, recommendations relating to the management of risk and the internal control environment; and
- Worked with the Executive in developing risk management policies and processes.

Haysmacintyre LLP were re-appointed in February 2019 as the external auditors for the 2018/19 audit.

Mazars took up their role as internal auditor in April 2018, having been appointed in January 2018 to fulfil the internal audit function for three years subject to annual re-appointment based on the outcome of effectiveness reviews.

On the basis of their audit work, Mazars consider that GOC’s governance, risk management and internal control arrangements are generally adequate and effective.

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Certain weaknesses and exceptions were highlighted by their work, notably in relation to the Organisational Transformation (GOC sought an advisory review in relation to the lessons learned from this, which were presented to and discussed with the Council). These matters have been discussed with management, to whom Mazars have made a number of recommendations. All of these have been, or are in the process of being addressed, as detailed in the individual reports.

The committee also held a development workshop day in December 2018.

Remuneration Committee

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

The committee undertook the following work during 2018/19:

- Recommended to Council the member fees for 2019/2020;
- Agreed a recommendation to Council for changes to the arrangements in remunerating Investigation Committee members;
- Approved remuneration arrangements for the Chief Executive and Registrar;
- Agreed a pay award for Directors based on the approved performance and pay framework;
- Considered the outcome of the 2017/18 executive appraisal process;
- Provided assurance to Council on the processes to determine executive remuneration, reward and performance management; and
- Approved the relevant sections of the 2017/18 annual report in relation to members' fees and expenses.

Nominations Committee

The committee advises Council and takes some delegated decisions in areas of appointment, reappointment, appraisal, evaluation, induction and development of members. In addition to the Council members on the committee, Penny Bennett is appointed as an independent member and attended all meetings during the year. The independent member provides independent, objective and impartial advice and judgement. In addition, the independent member acts as an independent assessor for appointment and reappointment processes and participates in the appraisal of our Hearings Panel Chairs and the Investigation committee (IC) Chair.

The committee undertook the following work during 2018/19:

- appointed and reappointed members to our committees, including approving individual appointment processes;
- reviewed the internal audit report on the appointment and reappointment process;

SECTION ONE: HOW WE DELIVERY PUBLIC BENEFIT

- approved a new appointment process to be used from 1 April 2019;
- reviewed and approved competences for members by reducing the overall number, merging those which were similar or repetitive and removing barriers to application;
- reviewed the skills required of Council members in order to inform reappointment decisions and future Council campaigns;
- received an update on progress made with implementing the member development plan; and
- considered amendments to the member review (appraisal) process.

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Statutory Advisory Committees

Six of our committees are statutory as defined under the Opticians Act and related Rules. Some (Education, Investigation, FTP and Registration Appeals) are permitted to make decisions as specified in the Opticians Act 1989 and the other committees are wholly advisory. To ensure that there is cohesion between Council and its committees, each committee (with the exception of the Investigation, FTP and Registration Appeals committees) is chaired by a Council member and their membership includes at least one other Council member. Our committees include members appointed by virtue of the knowledge, skills and experience that they bring. They are appointed by Council, via the Nominations Committee, using open appointment processes based on the principles of merit, fairness, openness and credibility, and are subject to statutory annual reappointment.

Education Committee

The committee provides advice and assists Council on matters relating to optical training, education and assessment, including the approval of training establishments and qualifications. The committee reviews our requirements for the content and standard of education, including the CET scheme and recommends changes as necessary. The committee met four times during the year. The current membership of the committee can be found here: www.optical.org/en/about_us/how_we_work/Education_Committee.cfm.

Standards Committee

The committee provides advice and assists Council on the standards of conduct and performance expected of current and potential registrants, including business registrants. The Committee met twice during the year. The current members of the committee can be found here: www.optical.org/en/about_us/how_we_work/Standards_Committee.cfm

Companies Committee

The committee provides advice and assists Council on matters relating to business registrants (other than in relation to FTP issues). The committee met twice during the year. The current members of the committee can be found here: www.optical.org/en/about_us/how_we_work/Companies_Committee.cfm.

Registration Committee

The committee provides advice and assists Council on matters relating to registration, including the rules governing registration and publication of the Registers. The committee met twice during the year. The current members of the committee can be found here: www.optical.org/en/about_us/how_we_work/Registration_Committee.cfm.

Investigation committee

When case examiners cannot reach an agreed decision, the committee will decide whether an allegation that a registrant's fitness to practise is impaired should be referred to the FTP committee or whether the case should be closed. It also considers requests by case examiners for a registrant to be subject to an assessment of their performance or health. The committee met four times during the year. The current members of the

SECTION ONE: HOW WE DELIVERY PUBLIC BENEFIT

committee can be found here:

www.optical.org/en/about_us/how_we_work/Investigation_Committee.cfm

Fitness to Practise Committee and Registration Appeals Committee

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

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

Members of the FTP committee and the RAC are selected from a group of Hearings Panel members (www.optical.org/en/about_us/People/Hearings_Panel_members.cfm).

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REFERENCE AND ADMINISTRATIVE DETAILS

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

GOC registered office and operational address 10 Old Bailey, London, EC4M 7NG

Bankers Lloyds Banking Group (incorporating Bank of Scotland)
4th Floor, 25 Gresham Street, London, EC2V 7HN

Internal auditors Mazars LLP
Tower Bridge House, St Katharine's Way, London E1W 1DD

External auditors Haysmacintyre
10 Queen Street Place, London, EC4R 1AG

Investment advisors Brewin Dolphin Limited
12 Smithfield Street, London, EC1A 9BD

Council Gareth Hadley (Chair) (reappointed 19 February 2017 until 18 February 2021)
Sinead Burns (appointed 1 October 2016 until 30 September 2020)
Josie Forte (appointed 1 April 2017 until 31 March 2021)
Mike Galvin (appointed 1 April 2017 until 31 March 2021)
Rosie Glazebrook (reappointed 1 January 2019 until 31 December 2022)
Scott Mackie (reappointed 1 April 2017 until 31 March 2021)
Clare Minchington (appointed 1 April 2017 until 31 March 2021)
David Parkins (appointed 15 March 2016 until 14 March 2020)
Roshni Samra (appointed 1 April 2017 until 31 March 2021)
Helen Tilley (reappointed 1 May 2017 until 30 April 2021)
Glenn Tomison (reappointed 1 January 2019 until 31 December 2022)
Selina Ullah (reappointed 1 September 2014 until 31 August 2019)

SMT Lesley Longstone, Chief Executive and Registrar (interim from September 2018 to March 2019 and permanent from March 2019)
Vicky McDermott, Chief Executive and Registrar (-to February 2019)
Adam Sampson, interim Chief Executive and Registrar (from June 2018 to September 2018)

Alistair Bridge, Director of Strategy

Mark Webster, Director of Resources

Subo Shanmuganathan, interim Director of Education (from October 2018)

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Dionne Spence, Director of Casework and Resolution (from January 2019)

Lisa Davis, Director of Fitness to Practise (until September 2018)

Safia Iman, interim Director of Education and Hearings (until May 2018)

OUR FITNESS TO PRACTISE ANNUAL REPORT

Introduction

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

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

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

The main offences established by the Opticians Act 1989 are:

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

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

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Highlights

During 2018/19 we have undertaken further significant changes to our FTP structure and processes and have implemented a number of changes to the way we work. We believe these changes will lead to long-term improvements in the quality of service we provide to registrants and complainants, and to our end-to-end timescales.

Our median time for making a triage decision (whether a full investigation should be opened) increased from 33 days in 2017/18 to 43 days in 2018-19. This increase is disappointing, but it has reduced since we added additional resource in late 2018 and we are pleased that our Triage caseload (the number of referrals awaiting a triage decision) has reduced by 35% since 31 March 2018. We expect our Triage timescales to reduce further over the coming year.

We are disappointed that our performance against our 26-week (median) KPI target for completing investigations was again 38 weeks for the year. However, the introduction of additional resource in late 2018 led to our case examiners making 104 decisions in the final quarter of this year - the highest number of decisions for a quarter since case examiners were introduced in 2014 – and this has reversed the increase we had experienced in our open investigation caseload during the first part of the year.

We are pleased that our end-to-end median time for progressing cases from complaint to final Fitness to Practise Committee (FTPC) decision improved from 124 weeks (2017-18) to 112 weeks this year. Although we recognise that we are still some way from achieving our KPI target of 78 weeks, the addition of further resource in late 2018, combined with the introduction of Acceptance Criteria, has enabled us to start reducing our caseloads at all stages of the FTP process. In conjunction with the work we will be doing in 2019-20 to further streamline processes, we are confident that these reductions will translate to timescale improvements as we progress through the next year.

We have continued to maintain the median time taken to impose an interim order at three weeks, protecting the public through quick action in cases that present the most serious patient safety risk. Following the pilot exercise we undertook last year, we have formally implemented a system of in-house advocacy whereby some cases are presented to the Fitness to Practise Committee by an in-house advocate. Not only has this proved time-efficient and cost-effective, but it has also provided staff with additional learning and support.

During the year, we implemented a rolling training programme for our team and, in March 2019, we held clinical training sessions at City University. These sessions have helped our staff to improve their understanding of sight testing and to improve their understanding of serious clinical matters and associated risks.

SECTION TWO: OUR FITNESS TO PRACTISE ANNUAL REPORT

Complaints received in 2018/19

We received 453 referrals relating to the fitness to practise of our registrants, from which we opened 269 investigations. This represents an 8% reduction in the number of new referrals and a slight increase in the number of full investigations opened.

As in previous years, only approximately 1% of registrants were subject to complaints about their FTP and, this year, only 17% of these were referred for a formal hearing, a reduction from an average referral rate of 25% in previous years. Although this is suggestive that the vast majority of our registrants provide an excellent service to patients and are likely never to be subject to any action on their registration, we are also keen to ensure that we are doing all we can to enable concerns to be raised with us where appropriate

Table five shows the types of complaints investigated over the last three years.

Table five: types of complaint received

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

Type of complaint	18/19	%	17/18	%	16/17	%
Conviction/caution	39	14.5	24	9.2	28	9.6
Other clinical	34	12.6	27	10.3	31	10.6
Personal conduct	28	10.4	39	14.9	28	9.6
Procedures - business	18	6.7	17	6.5	28	9.6
Multiple (clinical)	17	6.3	9	3.4	7	2.4
Retinal detachment	17	6.3	7	2.7	11	3.8
Multiple (clinical/conduct)	16	5.9	9	3.4	8	2.7
Ill health	14	5.2	9	3.4	9	3.1
Tumour	13	4.8	9	3.4	5	1.7
Glaucoma	10	3.7	14	5.3	6	2
Cataracts	9	3.3	13	5	8	2.7
Other miscellaneous	9	3.3	3	1.1	4	1.4
Spectacle prescription	8	3.0	23	8.8	41	14
Supervision of student	6	2.2	6	2.3	0	0
Management of child patients	5	1.9	3	1.1	5	1.7
Exam/qualification fraud	5	1.9	2	0.8	7	2.4
Macular degeneration	4	1.5	7	2.7	12	4.1
Contact lenses	4	1.5	4	1.5	16	5.5
Complaint handling – business	3	1.1	11	4.2	7	2.4
Related to laser eye surgery	3	1.1	7	2.7	9	3.1
Theft	3	1.1	7	2.7	4	1.4
Fraud	2	0.7	4	1.5	12	4.1
Fitting/dispensing	1	0.4	1	0.4	1	0.3

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Restricted activities	1	0.4	0	0	2	0.7
Domiciliary	0	0.0	5	1.9	0	0
Breach of Opticians Act	0	0.0	1	0.4	3	1
Testing unregistered	0	0.0	1	0.4	1	0.3
Advertising Standards Authority	0	0.0	0	0	0	0
Non declaration to PCT	0	0.0	0	0	0	0
Non declaration of a criminal conviction to the GOC	0	0.0	0	0	0	0
Testing unsupervised	0	0.0	0	0	0	0
TOTAL	269	1.0	262	1	293	1

Table six sets out the number of investigations opened against each GOC registrant category over the last three years.

Table six: FTP investigations opened against each GOC registrant category

	2018/19	%	2017/18	%	2016/17	%
Optometrist	186	64	168	64	170	58
Business registrant	32	15	39	15	67	23
Dispensing optician	25	13	35	13	37	13
Student optometrist	18	5	12	5	12	4
Student dispensing optician	8	3	8	3	7	2
Number of complaints	269	-	262	-	293	-
Total number of registrants	31,368	-	30,759	-	29,291	-
Number of registrants subject to complaints	269	-	262	-	293	-
Percentage of registrants subject to complaints	0.86%	-	0.85%	-	1.00%	-

Registration figures as of 31 March of each year.

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

Table seven: source of FTP concerns received

Source of concern	18/19	%	17/18	%	16/17	%
Patient or representative	146	54.3	160	61.1	179	61.1
Self-declaration	54	20.1	43	16.4	54	18.4
GOC	23	8.6	14	5.3	10	3.4
Primary care organisation	11	4.1	12	4.6	11	3.8
Employer/Ex-employer	8	3.0	11	4.2	16	5.5
Other	12	4.5	11	4.2	3	1.0
Professional/ educational body	8	3.0	5	1.9	8	2.7

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Whistle-blower	3	1.1	3	1.1	7	2.4
Police	1	0.4	2	0.8	1	0.3
Anonymous	3	1.1	1	0.4	4	1.4
Counter-fraud services	0	0.0	0	0.0	0	0.0
ASA	0	0.0	0	0.0	0	0
	269	100%	262	100%	293	100%

Table eight

shows the decisions made by case examiners or the Investigation Committee over the last three years. The numbers include all cases considered in these periods, including those where cases were opened before the period. Our case examiners and IC made 312 decisions (some cases are subject to more than one decision) including reconsiderations pursuant to Rules 15 and 16 and all interim decisions. This year, 69% (an increase of 11%) of cases resulted in no further action. Only 17% were referred to a full hearing.

Table eight: outcomes decided by case examiners and the IC

Substantive Outcomes	18/19	%	17/18	%	16/17	%
No further action	111	51*	104	47*	102	46*
No further action with advice	40	18*	24	11*	26	12*
Referral to FTP committee (FTPC)	37	17*	57	26*	59	27*
Warning	30	14*	35	16*	34	15*
Interim Outcomes						
Minded to issue a warning	49	n/a	32	n/a	40	n/a
Further investigation required	21	n/a	21	n/a	19	n/a
Direction for a performance assessment	0	n/a	0	n/a	3	n/a
Direction for a health assessment	4	n/a	0	n/a	1	n/a
Review Outcomes						
Termination of referral to FTPC	12	n/a	12	n/a	16	n/a
Review of decision not to refer to FTPC	5	n/a	6	n/a	7	n/a
Confirmation of referral to FTPC	3	n/a	4	n/a	7	n/a
Withdrawn by complainant	0	n/a	0	n/a	10	n/a
Other Outcomes						
Withdrawn by complainant	0	n/a	0	n/a	10	n/a
TOTAL	312		314		369	

[*as a percentage of substantive decisions]

Interim orders

The GOC Registrar has the legal power to refer a matter directly to the FTP committee for consideration whether to impose an interim order (IO) on the registrant's practice. Both case examiners and the IC also have the power to direct the Registrar to take this step. An IO is an immediate order which is used where the FTP committee is satisfied that it is:

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

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- in the interests of the registrant.

In the period covered by this report, we applied for an IO in 35 cases, 22 of which resulted in an IO being imposed. This is an increase in the number of applications made in the previous year, but a reduction in the proportion of orders imposed. Arising from this reduction, we have reviewed our processes to ensure that we are only making applications where it is absolutely necessary.

Fitness to Practise Committee

In reaching a decision, the FTP committee considers whether it is necessary to take action to protect individual members of the public and whether taking action is necessary for the wider public interest: for example, in order to maintain public confidence in the professions or to declare and uphold proper standards of conduct and behaviour. If the FTP committee finds that the registrant's fitness to practise or undertake training is currently impaired, one of the following outcomes is available to it:

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

Table nine shows the outcomes of cases decided by the FTP committee over the last three years. In 2018/19, the FTP committee considered 42 substantive hearings involving 40 registrants and 12 substantive reviews of FTP outcomes. In addition, the FTP committee considered nine procedural hearings and 35 new IO applications of which 22 had IO suspension or conditions imposed and 13 received no order.

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Table nine: outcomes decided by the FTP committee

Substantive hearings						
Outcome	18/19	%	17/18	%	16/17	%
No further action / No case to answer	16	38.1	11	34.4	9	33.3
Suspension	9	21.4	9	28.1	7	25.9
Warning	6	14.3	4	12.5	5	18.5
Erasure	9	21.4	5	15.6	3	11.1
Conditions	1	2.4	2	6.3	3	11.1
Financial penalty	1	2.4	1	3.1	-	-
TOTAL	42	100%	32	100%	27	100%

Substantive reviews						
Outcome	18/19	%	17/18	%	16/17	%
No impairment following review hearing	7	58.3	5	50	8	53.3
Erasure following review hearing	3	25	1	10	4	26.7
Conditions to continue following review hearing	1	8.3	1	10	2	13.3
Conditions changed to suspension following review	-	-	-	-	1	6.7
Suspension changed to conditions following review hearing	-	-	1	10	-	-
Suspension to continue following review hearing	1	8.3	2	20	-	-
Undertaking	-	-	-	-	-	-
TOTAL	12	100%	10	100%	15	100%

We publish all outcomes from hearings on our website:

(www.optical.org/en/Investigating_complaints/Hearings/past_hearings/index.cfm) for a period of twelve months. Older decisions are available on request.

Registration Appeal Committee (RAC)

In circumstances where a registrant is erased from the register, any application for restoration is heard by the RAC. The applicant cannot make an application until 22 months have passed since the order for erasure took effect and the restoration hearing cannot take place until at least 24 months have passed. Prior to making the application, the applicant must have acquired the required number of CET points. This does not apply to optical students. During 2018/19, the RAC heard one application for restoration by a registrant previously erased by the FTP committee, which was refused.

The RAC also considers appeals against decisions made by the Registrar not to allow registration. During 2018/19, the RAC heard three appeals against the Registrar's decisions: two refusals were for convictions (one appeal was allowed, one dismissed) and one was for failing to apply for retention (which was allowed).

SECTION TWO: OUR FITNESS TO PRACTISE ANNUAL REPORT

Section 29 referrals The PSA has the discretion to refer a decision of the FTP committee to the high court when it considers that the decision of the committee is insufficient for public protection.

During 2017/18, the PSA did not refer any of the decisions of the FTP committee under this process. Learning points from all cases are integrated into training programmes if and when cases are referred in this way.

Audit

Each year, we commission an independent audit of the FTP decision-making of the IC and FTP committee, which contains sections on the auditor's findings, compliance with previous recommendations and learning points. Once the management response has been agreed, the audit report is submitted to the audit and risk committee for their scrutiny, before submission to the PSA. This is in compliance with the PSA's eighth FTP Standard of Good Regulation² which states:

'All FTP decisions made at the initial and final stages of the process are well reasoned, consistent, protect the public and maintain confidence in the profession.'

This year the audit was again conducted by Radcliffes Le Brasseur, solicitors and auditors. A total of 73 decisions were audited and the audit report identified a small number of learning points, all of which we accepted and acted upon. In summary, the auditors concluded that: 'In general, the real prospect test was correctly stated in the Case Examiners' decisions and was correctly applied. There were a small number of occasions where we had concerns but no cases in which we identified a material error in the decision outcome.'

Feedback

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

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

² *The Performance Review Standards, Standards of Good Regulation*, June 2010 (updated 2012), Section 5: Fitness to Practise.

SECTION THREE: FINANCE

FINANCIAL REVIEW OF THE YEAR ENDED 31 MARCH 2019

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

The Audit, Risk and Finance committee met five times this year, reviews the systems of Council's internal financial controls and receives an annual report from the internal and external auditors. It also reviews the financial performance, operational and compliance controls and risk management.

In 2018/19, financial performance for the year (measured by net income) was £0.8m deficit (2017/18 £1.4m deficit). This is an improved performance from last year by £0.6m. In 2017/18 an unrealised loss on investments of £0.05m was recorded. In 2018/19 there was an unrealised gain of £0.4m, a net change of £0.45m.

Income for the year was £9.2m (2017/18 £8.7m). £8.9m (2017/18 £8.3m) was related to annual renewal fees.

During the year we incurred £10.4m expenditure (2017/18 £10m). Investments made in internal resources in FtP to reduce caseloads and investments made to review the education and continued education and training (CET) functions contributed to the increase in expenditure. Expenditure was incurred in line with the annual business plan and was monitored using an enhanced programme of cost control and review.

We continue to maintain a robust cash resource and investments under management so the trustees have a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future as a going concern.

Reserves policy

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

All of our reserves are unrestricted and as at 31 March 2019, the total reserves were £7.0m. The Council in setting the reserves policy has identified two designated reserves, Legal cost reserve and Strategic reserve. The legal cost reserve (£1.6m) is to provide against significant increases or decreases in volumes of cases, and consequently expense. The strategic reserve (£3.0m) supports the delivery of specific projects and

SECTION THREE: FINANCE

initiatives outlined in the GOC's strategic plans. The reserve policy is reviewed every three years. The total unrestricted funds net of tangible fixed assets are £5.9m (2017/18 £6.6m).

The reserves policy has been reviewed and aligned with the strategic plan also taking into consideration the significant reserves created by the vacating of Harley Street which has resulted in total reserves as at 31 March 2019 in excess of £7million.

Investment policy

The Working Capital Policy recognises that all deposits must be secure, liquid and not exposed to currency risk.

The Investment Policy Statement recognises the additional needs of the GOC as it seeks to ensure that the funds generated by the one-off sale of Harley Street provide reasonable returns within acceptable risk profiles.

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

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these financial statements, the trustees are required to:

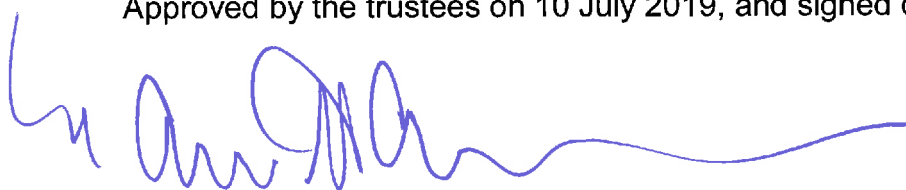
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities Act;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed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

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

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

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

Approved by the trustees on 10 July 2019, and signed on their behalf by



Gareth Hadley
Chair, GOC

SECTION THREE: FINANCE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF GENERAL OPTICAL COUNCIL

Opinion

We have audited the financial statements of the General Optical Council for the year ended 31 March 2019 which comprise Statement of Financial Activity, Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 and of the its net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 43, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

SECTION THREE: FINANCE

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Use of our report

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

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Handwritten signature

Haysmacintyre LLP
Place
Statutory Auditors
Date: *12 July 2019*

10 Queen Street
London
EC4R 1AG

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

SECTION THREE: FINANCE

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted Funds £'000	Total 2018/19 £'000	Total 2017/18 £'000
Income from:				
Charitable activities	2	8,878	8,878	8,368
Investments	3	309	309	333
Other income				
Other	4	-	-	1
Total		9,187	9,187	8,702
Expenditure on:				
Raising Funds	11	49	49	52
Charitable activities	5	10,304	10,304	9,962
Total resources expended		10,353	10,353	10,014
Net (losses) / gains on investments	11	401	401	(47)
Net (expenditure) / income		(765)	(765)	(1,359)
Reconciliation of funds:				
Total funds brought forward		7,797	7,797	9,156
Total funds carried forward		7,032	7,032	7,797

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

All the transactions in 2018-19 and 2017-18 were unrestricted.

The notes on pages 49 to 62 form part of these financial statements.

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BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2018/19 £'000	2017/18 £'000
Fixed assets:			
Tangible fixed assets	10	1,097	1,217
Investments	11	8,288	9,746
Total fixed assets		9,385	10,963
Current assets:			
Debtors	12	667	583
Short term deposits		5,100	5,000
Cash at bank and in hand		1,999	1,341
Total current assets		7,766	6,924
Current liabilities:			
Creditors: amounts falling due within one year	13	(10,119)	(10,090)
Net current assets		(2,353)	(3,166)
Total assets less current liabilities		7,032	7,797
Net assets		7,032	7,797
Represented by:			
Unrestricted funds:			
Designated funds	15	4,608	4,608
General funds	15	2,424	3,189
Total funds		7,032	7,797

The notes on pages 49 to 62 form part of these financial statements.

The financial statements were approved and authorised by the Council on 10 July 2019 and were signed on its behalf by:



Gareth Hadley
Chair, GOC

SECTION THREE: FINANCE

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

	2018/19 £'000	2017/18 £'000
Cash flows from operating activities:		
Reconciliation of net (expenditure) / income to net cash flow from operating activities:		
Net income / expenditure for the reporting period (as per the statement of financial activities)	(765)	(1,359)
Depreciation	182	281
(Gains) / losses on investment income	(401)	47
Dividends, interest and rents from investments	(309)	(333)
Decrease / (Increase) in debtors	(84)	(83)
Increase/ (decrease) in creditors	29	462
Net cash provided by (used in) operating activities	(1,348)	(985)
Cash flows from investing activities:		
Dividends, interest and rents from investments	309	333
Purchase of tangible fixed assets	(62)	(32)
Proceeds from sale of investments	2,306	1,537
Movement in short term deposit account (more than three months)	(100)	1,200
Movement in Cash held in investment	(11)	669
Purchase of Investments	(436)	(2,164)
Net cash provided by (used in) investing activities	2,006	1,543
Change in cash and cash equivalents in the reporting period	658	558
Cash and cash equivalents at the beginning of the reporting period	1,341	783
Cash and cash equivalents at the end of the reporting period	1,999	1,341
Cash and cash equivalents at the end of the reporting period		
Cash at bank and in hand	1,999	1,341

The notes on pages 49 to 62 form part of these financial statements.

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NOTES TO THE FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

GENERAL INFORMATION

The GOC is constituted as a body corporate under the Opticians Act 1989, as updated by amending legislation which came into effect on 30 June 2005. We are also registered as a charity by the Charity Commission in England and Wales (registered charity number 1150137). Our registered office is at 10 Old Bailey, London EC4M 7NG.

1. ACCOUNTING POLICIES

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

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

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

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

JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Depreciation:

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

(i) GOING CONCERN

The trustees (Council members) consider there are no material uncertainties about the charity's ability to continue as a going concern. With respect to the next reporting period, 2020, the most significant areas of uncertainty that affect the carrying assets held by the charity are the level of investment return and the performance of the investments markets (see the investment policy and the risk management sections of the Council members' annual report for more information). The review of our financial position, reserves levels

SECTION THREE: FINANCE

and future plans gives Council members' confidence that guarantee the charity remains a going concern and the financial statements have been prepared on a going concern basis.

(ii) INCOME

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

We also receive registration fees from students, which are payable for the year or period ending 31 August in line with the academic year and credited in the accounts for the year to which they relate.

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

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

(iii) EXPENDITURE

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

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

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

Support costs have been apportioned between all activities based on staff head counts. The allocation of support and governance costs is analysed in note 6.

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

(iv) FIXED ASSETS

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

Expenditure is capitalised where the cost of the asset, or group of assets, exceeds £500.

SECTION THREE: FINANCE

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

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

(v) DEPRECIATION

Assets are depreciated in equal instalments over the following periods:

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

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

(vi) INVESTMENTS

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

Investments comprise shares, funds, cash or deposits held as investments. The investments are limited to cash in instant access or term deposits, and permitted investments in line with the investment policy approved by Council in February 2019.

(vii) FINANCIAL INSTRUMENTS

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

(viii) DEBTORS

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

(ix) CASH AT BANK AND IN HAND

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

SECTION THREE: FINANCE

(x) CREDITORS AND PROVISIONS FOR LIABILITIES

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

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

(xi) FUNDS AND RESERVES

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

We have set designated funds aside as follows:

- Legal Costs Reserve – established to cover large fluctuations in the volume of cases/complaints received by the GOC which need to be reviewed and consequently investigated.
- Strategic Reserve – established to support specific strategic projects and initiatives outlined in the GOC's 3 year Strategic Plan and Budget and beyond.

(xii) TAXATION

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

The General Optical Council is a registered charity and, as its income is applied to charitable purposes, there is no liability to corporation tax.

(xiii) OPERATING LEASES

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

(xiv) EMPLOYEE BENEFITS

Short-term benefits - Short-term benefits, including holiday pay, are recognised as an expense in the period in which the service is received.

Employee termination benefits - Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Pension scheme - Council contributes to a defined contribution pension scheme for the benefit of its employees under an auto-enrolment scheme, the assets of which are administered by Royal London. The assets of the scheme are held independently from

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those of the Charity in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the year.

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	2018/19 £'000	2017/18 £'000
2. Income from charitable activities		
Registration and renewal fee	8,852	8,337
Continuing Education Training provider	26	31
Total	8,878	8,368

	2018/19 £'000	2017/18 £'000
3. Income from Investment		
Interest from fixed deposits	13	14
Dividend income	296	319
Total	309	333

	2018/19 £'000	2017/18 £'000
4. Other incoming resources		
Hire of facilities	-	1
Total	-	1

	Direct Cost £'000	Support Cost £'000	Total 2018/19 £'000
5. Charitable activities			
Fitness to practise (Note 5a.)	4,027	1,662	5,689
Registration	848	608	1,456
Education & standards	1,717	569	2,286
Policy	263	132	395
Communications	324	154	478
Total	7,179	3,125	10,304

Comparative figures below.

	Direct Cost £'000	Support Cost £'000	Total 2017/18 £'000
Charitable activities			
Fitness to practise (Note 5a.)	3,710	1,531	5,241
Registration	850	652	1,502
Education & standards	1,428	729	2,157
Policy	379	205	584
Communications	266	212	478
Total	6,633	3,329	9,962

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The following table details the FTP costs.

	2018/19 £'000	2017/18 £'000
5a. Fitness to practise including Legal compliance		
Legal fees on investigations	588	792
Other investigation costs	1,542	1,373
Hearing costs	1,268	960
Dispute mediation	174	167
Legal compliance	455	418
Support costs	1,662	1,531
Total	5,689	5,241

	Management £'000	Governance £'000	Facilities £'000	HR £'000	Finance £'000	IT £'000	2018/19 Total £'000
6. Support costs							
Fitness to practise	136	378	433	191	210	314	1,662
Registration	50	138	158	70	77	115	608
Education and Standards	45	129	150	66	72	107	569
Policy	11	30	34	15	17	25	132
Communications	13	35	40	18	19	29	154
Total	255	710	815	360	395	590	3,125

Comparative figures below.

	Management £'000	Governance £'000	Facilities £'000	HR £'000	Finance £'000	IT £'000	2017/18 Total £'000
Support costs							
Fitness to practise	108	426	373	145	115	364	1,531
Registration	46	181	159	62	49	155	652
Education and Standards	51	203	178	69	55	173	729
Policy	15	57	50	19	15	49	205
Communications	15	59	52	20	16	50	212
Total	235	926	812	315	250	791	3,329

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

The details of the governance cost included under support cost are as follows. Members' fees and expenses include Council (trustees) and committee members.

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	2018/19 £'000	2017/18 £'000
Governance costs		
Members' fees and expenses	318	342
Staff cost	333	416
External audit fees	18	17
Internal audit fees	31	22
Other governance cost	10	129
Total	710	926

	2018/19 £'000	2017/18 £'000
7. Net income for the year are stated after charging:		
Fees paid to external auditors - haysmacintyre:		
external audit fee (excl VAT)	15	14
taxation advice	1	-
Internal audit fees	31	22
Depreciation of fixed assets	182	281

	2018/19 £'000	2017/18 £'000
8. Staff costs		
Staff employment costs:		
Salaries	3,905	3,343
Settlements	116	37
National insurance	371	344
Pension costs	280	271
Total	4,672	3,995

Average number of staff	2018/19	2017/18
Chief Executive's office	3	2
Management team	5	7
Fitness to practise	29	22
Registration	11	9
Education & standards	9	9
Policy and communications	5	6
Governance, compliance, performance planning	7	8
Resources (Facilities, HR, Finance, IT And projects)	13	13
Total	82	76

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The number of staff whose taxable emoluments fell into higher salary bands was:

	2018/19	2017/18
£60,000 but under £70,000	4	6
£70,000 but under £80,000	1	1
£80,000 but under £90,000	1	-
£100,000 but under £110,000	2	2
£240,000 but under £250,000	1	-

During the year, Council paid £67,259 for nine members of staff in this category (2017/18 £63,014 for eight members of staff) to a defined contribution pension scheme. The trustees (Council members) consider the SMT to be key management. The trustees are also paid fees and reimbursed expenses for their travel and subsistence. The details are in note 9. No amounts are paid directly to third parties that are not already disclosed in note 9.

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

Key management personnel	2018/19 £'000	2017/18 £'000
Gross Pay	469	414
Employer national insurance contributions	57	50
Employer pension contributions	40	49
Benefits	10	5
Total	576	519

In addition to the above remuneration and benefits, during the year interim CEOs were paid £183k via agency fees (2017-18 £Nil).

	Fees	Fees inc. VAT	Expenses	2018/19 Total
9. Trustees' expenses	£	£	£	£
Selina Ullah	13,962	13,962	2,116	16,078
Gareth Hadley	58,806	58,806	1,704	60,510
Helen Tilley	17,073	17,073	3,147	20,220
Scott Mackie	13,962	13,962	3,773	17,735
Glen Tomison	13,962	13,962	2,518	16,480
Rosie Glazebrook	13,962	13,962	85	14,047
David Parkins	13,962	13,962	-	13,962
Sinead Burns	13,962	13,962	6,392	20,354
Josie Forte	13,962	13,962	2,457	16,419

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Mike Galvin	13,962	13,962	1,285	15,247
Clare Minchington	13,962	13,962	174	14,136
Roshni Samra	13,962	13,962	969	14,931

Total	215,499	215,499	24,620	240,119
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Number of trustees	12
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Comparative figures below.

	Fees	Fees inc. VAT	Expenses	2017/18 Total
9. Trustees' expenses	£	£	£	£
Selina Ullah	13,595	13,595	3,651	17,246
Gareth Hadley	57,260	57,260	1,111	58,371
Helen Tilley	16,625	16,625	4,743	21,368
Scott Mackie	13,595	16,314	7,965	24,279
Glen Tomison	13,595	13,595	3,717	17,312
Rosie Glazebrook	13,595	13,595	91	13,686
David Parkins	13,595	13,595	270	13,865
Sinead Burns	13,595	13,595	3,311	16,906
Josie Forte	13,595	13,595	3,107	16,702
Mike Galvin	13,595	13,595	2,383	15,978
Clare Minchington	13,595	13,595	212	13,807
Roshni Samra	13,595	13,595	849	14,444

Total	209,835	212,554	31,410	243,964
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Number of trustees	12
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Opticians Act 1989, schedule 1 of the act, paragraph 11 (2) b allows us to pay fees to trustees for attending Council meetings.

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10. Tangible fixed assets	Office, furniture and equipment £'000	Refurbishment £'000	IT hardware £'000	IT software £'000	Total £'000
Cost as at 1 April 2018	297	1,058	233	1,387	2,975
Add: Cost of additions	5	-	57	-	62
Less: Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Total at 31 March 2019	302	1,058	290	1,387	3,037
Less: Depreciation					
As at 1 April 2018	(66)	(172)	(182)	(1,338)	(1,758)
Charged in the year	(30)	(73)	(45)	(34)	(182)
Disposals	-	-	-	-	-
Total at 31 March 2019	(96)	(245)	(227)	(1,372)	(1,940)
Net book value 31 March 2019	206	813	63	15	1,097
Net Book Value 31 March 2018	231	886	51	49	1,217

	2018/19 £'000	2017/18 £'000
11. Investment		
Investments b/f	9,504	8,924
Additions	436	2,164
Disposals	(2,306)	(1,537)
Realised gains	9	(107)
Unrealised gains	392	60
Investments c/f	8,035	9,504
Cash	253	242
Total portfolio	8,288	9,746

Total portfolio includes cash held with equity managers.

During the year £49,276 (2017/18 £52,449) was incurred as investment management fees and has been disclosed on the Statement of Financial Activities as Raising Funds.

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	2018/19 £'000	2017/18 £'000
12. Debtors		
Prepayments	324	251
Other debtors	341	331
Accrued income	2	1
Total	667	583

	2018/19 £'000	2017/18 £'000
13. Creditors: Amounts falling due within one year		
Trade creditors	158	367
Deferred income (note 13a)	8,528	8,297
Accruals	1,128	1,263
Other tax and social security	125	121
Other creditors	180	42
Total	10,119	10,090

Accruals include rent accrual amounting to £520,339 (2017/18 £613,381).

Income from registrant renewal fees received in advance is deferred and released as income in 2019/20.

	2018/19 £'000	2017/18 £'000
13a. Deferred income		
At 1 April	8,297	7,821
Amount deferred during the year	8,719	8,297
Amount released to Statement of Financial Activities	(8,488)	(7,821)
Total	8,528	8,297

	2018/19 £'000	2017/18 £'000
14. Financial Instruments		
Financial assets measured at fair value	8,288	9,746
Financial assets measured at amortised cost	7,442	6,673
Financial liabilities measured at amortised cost	(1,591)	(1,793)
Net financial assets measured at amortised cost	14,139	14,626

- (a) Financial assets measured at fair value include investments.
- (b) Financial assets measured at amortised cost include: short term deposits and cash in hand, trade debtors, other debtors, and accrued income
- (c) Financial liabilities measured at amortised cost include: trade creditors, other creditors and accruals.

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	2018	Income	Expenditure	Transfers / gain / loss	2019
	£'000	£'000	£'000	£'000	£'000
15. Funds					
Unrestricted funds					
Designated funds					
Legal cost reserve	1,624	-	-	-	1,624
Strategic reserve	2,984	-	-	-	2,984
Total designated funds	4,608	-	-	-	4,608
General funds					
Income and expenditure reserve	3,189	9,187	(10,353)	401	2,424
Total funds	7,797	9,187	(10,353)	401	7,032

	2017	Income	Expenditure	Transfers / gain / loss	2018
	£'000	£'000	£'000	£'000	£'000
Funds					
Unrestricted funds					
Designated funds					
Legal cost reserve	2,000	-	(376)	-	1,624
Strategic reserve	3,498	-	(514)	-	2,984
Total designated funds	5,498	-	(890)	-	4,608
General funds					
Income and expenditure reserve	3,658	8,702	(9,124)	(47)	3,189
Total funds	9,156	8,702	(10,014)	(47)	7,797

The legal cost reserve is to provide against significant increases or decreases in volumes of cases, and consequently expense. The Strategic reserve is held to support the delivery of specific strategic projects and initiatives outlined in the GOC's Strategic Plans.

	Unrestricted funds	Total	Total
	£'000	2018/19	2017/18
	£'000	£'000	£'000
16. Analysis of net assets by fund			
Tangible fixed assets	1,097	1,097	1,217
Investments	8,288	8,288	9,746
Current assets	7,766	7,766	6,924
Current liabilities	(10,119)	(10,119)	(10,090)
Total net assets	7,032	7,032	7,797

SECTION THREE: FINANCE

17. Pension commitments

We operate a defined contribution auto-enrolment pension scheme on behalf of employees. The assets of the scheme are held separately from those of Council in an independently administered fund. The total expense incurred during the year was £283,508 (2017/18 £273,061). There were £93,814 in outstanding contributions in 2019, (2017/18 £40,139) included in the balance sheet.

18. Commitments under operating leases

At 31 March 2019, the charity had the following future lease payments under operating leases.

18. Commitments under operating leases	2018/19	2017/18
Land and buildings	£'000	£'000
Within one year	620	620
In two to five years inclusive	2,481	2,481
Over five years	621	1,241

Office Equipment lease	2018/19	2017/18
	£'000	£'000
Within one year	25	12
In two to five years inclusive	52	14

The total charge of all operating leases to the statement of financial activities as at 31 March 2019 was £532,413 (2018 £538,750).

19. Related party transactions

During the year, the members of Council were paid for the attendance of Council meetings and related expenditure through Council payroll (refer to note 9 for details).

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

- Scott Mackie provided services as a CET approver. We paid Scott £3,892 for services provided during the year as a CET approver. Scott's spouse and business partner, Dr Roisin Mackie also provided CET services as a CET approver. We paid her £5,382 for the services provided during the year.
- David Parkins' spouse, Dr Susan Blakeney is a case examiner. During the year we paid Susan £11,093 in fees for her services.

GLOSSARY OF TERMS

<u>Acronym or title</u>	<u>Full name or description</u>
ASA	Advertising Standards Authority The UK's independent regulator of advertising across all media.
Body corporate	A body corporate is a limited company or limited liability partnership that has been incorporated with Companies House. Bodies corporate registered with the GOC are known as business registrants.
Business registrant	A business registrant is a body corporate that has registered with the GOC.
CET	Continuing Education and Training Training that our registrants must do to keep their skills and knowledge up to date.
CLO	Contact Lens Optician A person who assesses suitability of, and provides for, the supply of contact lens
CRM	Customer Relationship Management Software for managing our interactions with our past, current and future stakeholders.
Dispensing optician	A person who fits and supplies optical appliances including low vision aids.
DPA	Data Protection Act The DPA regulates the processing of information relating to individuals, including the obtaining, holding, use or disclosure of such information.
FoI	Freedom of Information Freedom of information laws allow access by the general public to data held by national governments and public bodies.
FSA	Financial Services Authority The regulator of all providers of financial services in the UK. The FSA was replaced by the Financial Conduct Authority (FCA) on 1 April 2013.
FTP	Fitness to Practise A registrant's ability to carry out their professional duties as outlined in the Opticians Act 1989.

<u>Acronym or title</u>	<u>Full name or description</u>
GOC	General Optical Council The regulatory body for optometrists, dispensing opticians, student opticians and optical businesses in the UK.
HR	Human Resources
IC	Investigation Committee A GOC committee which investigates allegations about registrants.
ICO	Information Commissioner's Office The office responsible for the enforcement of the Data Protection Act 1998, and also responsible for freedom of information.
IP	Independent Prescriber A specialty open to optometrists only. Independent prescribing enables optometrists to clinically assess a patient, establish a diagnosis, determine the clinical management required and prescribe where necessary.
Lay member	In the GOC's case, a lay member is a member of Council or one of its committees who does not hold an optical qualification.
OCCS	Optical Consumer Complaints Service The GOC-funded body which deals with complaints relating to issues (refunds, broken glasses etc.) that do not call an optician's FTP into question.
Optometrist	A person who tests your sight and can diagnose eye conditions. They can also fit and supply spectacles, low vision aids and contact lenses.
PCI	Payment Card Industry The Payment Card Industry Data Security Standard (PCI DSS) is a set of requirements designed to ensure that all companies that process, store or transmit credit card information maintain a secure environment.

<u>Acronym or title</u>	<u>Full name or description</u>
Privy Council	The part of Her Majesty's Government which advises on the exercise of prerogative powers and certain functions assigned to the Queen and Council by act of Parliament.
Protected title	Titles legally reserved for use by GOC registrants. Protected titles are: (registered) optometrist, (registered) dispensing optician, registered ophthalmic optician and (registered) optician(s).
PSA	Professional Standards Authority for Health and Social Care Oversees the work of the GOC and the eight other UK healthcare regulators.
Registrant member	A member of the GOC (or its committees) who holds an optical qualification and whose name appears on the GOC register.
SCM	Senior Council Member Acts as a sounding board for the Chair of Council, serves as an intermediary for other Council members and formally manages the appraisal of the Chair's performance annually.
SMT	Senior Management Team (key management) The GOC's SMT comprises the Chief Executive and Registrar, the Director of Resources, the Director of Strategy and the Director of Fitness to Practise
SORP	Statement of Recommended Practice Provides recommendations for accounting and reporting.
Trustee	A member of a charity's board or management committee. In the GOC's case, its trustees are its 12 Council members.
UK Corporate Governance Code	Sets out standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders.

