Council papers

MEETING
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Agenda

Wednesday 6 June 2018 10:30 - 13:00

Meeting

10:30 - 10:35  M1  Chair’s business  5 mins
10:35 - 10:35  M2  Minutes of the meeting on 24 April 2018  0 mins
10:35 - 10:50  M3  Chief Executive’s Report  15 mins
10:50 – 11:05  M4  Chief Operating Officer’s Report  15 mins
11:05 - 11:20  Break  15 mins
11:20 - 11:40  M5  Report of the MPTS Committee  20 mins
11:40 - 11:50  M6  Fitness to Practise Statistics Report 2017  10 mins
11:50 - 12:05  M7  Trustees Annual Report and Accounts 2017  15 mins
12:05 - 12:15  M8  Report of the Audit and Risk Committee  10 mins
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6 June 2018

Council

Draft as of: 23 May 2018

To approve

Minutes of the meeting on 24 April 2018*

Members present

Terence Stephenson, Chair

Steve Burnett
Shree Datta
Christine Eames
Anthony Harnden
Helene Hayman

Deirdre Kelly
Paul Knight
Suzi Leather
Denise Platt (from item 3)
Amerdeep Somal

Others present

Charlie Massey, Chief Executive and Registrar
Susan Goldsmith, Chief Operating Officer
Paul Buckley, Director of Strategy and Policy
Una Lane, Director of Registration and Revalidation
Colin Melville, Director of Education and Standards
Mary Morgan-Hyland, Council Secretary
Anthony Omo, Director of Fitness to Practise and General Counsel
Paul Reynolds, Director of Strategic Communications and Engagement
Neil Roberts, Director of Resources and Quality Assurance

* These Minutes should be read in conjunction with the Council papers for this meeting, which are available on our website at http://www.gmc-uk.org
Chair's business

1 Council noted that apologies had been received from Denise Platt, who would join the meeting if possible.

2 The Chair welcomed Mark Swindells who joined the GMC as Assistant Director of the Office of the Chair and Chief Executive on 13 March 2018.

3 The Chair welcomed the following observers to the meeting:
   a Dr Jessica Harris, representing ‘Justice for Dr Hadiza Bawa-Garba.’
   b Fiona Vincent and Wuraola Obadahun, medical students completing an elective at the GMC.

Minutes of the meeting on 28 February 2018

4 Council considered the draft Minutes of the meeting on 28 February 2018 and agreed to:
   a Add the following additional information to Item 8- paragraph 26:
      i The proposal from the Defined Benefit (DB) Scheme Trustees was for an additional contribution of £2.5 million per year for ten years.
      ii Reference to Council maintaining contributions to the DB scheme at the current level, previously agreed with trustees, when considering options.
      iii The 10 year timeframe period was for achieving self-sufficiency.
      iv Following the next triennial review, Council would re-engage with trustees as well as seeking further independent advice.
      v Reference that the funds agreed being in addition to 22.8% payroll contribution for DB scheme members until closure of the DB scheme in April 2018.
   b Correct a typographical error in paragraph 12.

5 With these amendments, Council approved the minutes of the meeting on 28 February 2018 as a true record.

Chief Executive’s Report

6 Council considered the Chief Executive’s Report, noting developments in the external environment, progress on the GMC’s strategic priorities and how the GMC’s major work programmes were progressing, including:
a The Chief Executive had sought clarity from the Secretary of State for Health and Social Care on the status of European Economic Area (EEA) doctors post-exit from the European Union.

b The GMC’s response to Health Education England’s (HEE) workforce strategy up to 2020.

c The GMC had submitted written and oral evidence to the Department of Health and Social Care’s review of the application of gross negligence manslaughter charges in healthcare settings, led by Sir Norman Williams. The evidence stated the GMC’s view that doctors’ reflections should be treated as legally protected within criminal proceedings. It was noted that the GMC had already made clear that it did not ask for doctors' reflective records as part of fitness to practise processes.

d An update on the establishment of a separate independent review, commissioned by the GMC, of the application of the law concerning gross negligence manslaughter and culpable homicide (in Scotland) to doctors, led by Dame Clare Marx.

e An update on the GMC’s response to the publication of the Inquiry into Hyponatraemia-related Deaths in Northern Ireland.

7 Following discussion, Council noted:

a A report would be circulated to Council on recent UKAF meetings in Cardiff, Scotland and Northern Ireland including key points and actions.

b Updates would continue to be provided on developments following the publication of the Inquiry into Hyponatraemia-related Deaths in Northern Ireland.

c To assist with monitoring the impact of Brexit on doctors applying to work in the UK and related workforce issues, information would be provided on the number of EEA and International Medical Graduates doctors applying to work in the UK and an update would be included in the Chief Operating Officer’s report for June.

8 Council noted that, further to the governance review in 2017, the GMC had reviewed how it received advice on education and assessment issues. Council considered a proposal to simplify arrangements by reviewing education and assessment in a single forum.

9 Following discussion, Council approved:

a The decommissioning of the Education and Training Advisory Board (ETAB) and Assessment Advisory Board (AAB) and the establishment of an Education Advisory Forum, a single forum covering education and assessment across the GMC until the end of the current corporate strategy in 2020.
b Associated changes to the Governance Handbook.

**Chief Operating Officer’s Report**

10 Council noted declarations of interest from Susan Goldsmith, Paul Buckley, Steve Burnett and Paul Knight in relation to their role as directors of GMC Services International (GMCSI).

11 Council considered the new format Chief Operating Officer’s Report which introduced a benefits first approach to reporting against the new Corporate Strategy. Council noted updates on:

a The commentary on operational performance which confirmed that the GMC met all its operational key performance indicators and noted exceptions to delivery against our strategic benefits.

b Following the High Court’s judgment in respect of the Dr Bawa-Garba case, and the subsequent commitments made by the GMC to address concerns, the 2018 business plan had been reviewed to identify where work could be paused, or stopped, without significant detriment to stakeholders. Council noted that an update on the impact of this review would be provided at its June meeting.

c The new Corporate Opportunities and Risk Register (CORR), presented to Council for the first time, which had been developed to support our new Corporate Strategy, following extensive work across the business. Changes included:

i Six new risks added (Risk OST4, OST6, T4.2, AT1, AT10 and AT15) to reflect the GMC’s ability to work collaboratively following the Dr Bawa-Garba case, the Hyponatraemia Inquiry report and impact on the GMC’s four country model of regulation, the impact of the Secretary of State’s review of the application of gross negligent manslaughter, resourcing in Education and Standards and the HEE workforce strategy.

ii Two risks had been escalated to a significant residual risk; IT11 to reflect the potential impact on the GMC’s statutory functions caused by continuing system pressures; and IT15 to reflect the additional work streams and commitments the GMC has made in response to recent external events.

d Other operational matters including:

i Five recent assistant director appointments.

ii Report on performance of GMCSI including the appointment of two development managers with further appointments to follow.

iii Details of the 2018 pay award.
12 During discussion, Council noted:

a Positive feedback following the Audit and Risk Committee’s (ARC) review of the introduction of the new CORR which enabled ARC to monitor positive and negative aspects of risk.

b An update on the GMCSI Board meeting on 11 April 2018 and ongoing recruitment plans to procure new business opportunities.

The PSA’s annual review of our performance for 2016-17

13 Council considered the Professional Standards Authority’s (PSA) annual performance review of the GMC.

14 Council considered and noted:

a The PSA’s report on GMC performance for the 2016-2017 performance review period, that concluded the GMC had met all of the PSA’s 24 Standards of Good Regulation including targeted reviews into Standards 1, 3, 6 and 7.

b Plans to take forward learning and continue to provide assurance, particularly in relation to fitness to practise timeframes.

15 During discussion, Council noted:

a PSA measures were monitored internally via a Siebel dashboard.

b Processes in place for monitoring timescales for “case readiness” by the Fitness to Practise directorate.

c That the GMC would continue to work to strengthen its relationship with the PSA.

Plans to report on performance against the new Corporate Strategy

16 Council considered a report which outlined plans to report on performance against the new Corporate Strategy.

17 Council:

a Noted the approach taken to develop a benefits model for the GMC, which provided a framework for understanding how the GMC could maximise its impact on patient and doctor safety in the wider healthcare system.

b Considered plans to report against the Corporate Strategy, to enable Council to hold the Executive to account for delivery of benefits and make reporting to Council more insightful in terms of impact.
18 During discussion, Council noted:

- Planning, monitoring and evaluation would focus on the positive changes the GMC wanted to make towards patient and doctor safety.

- A benefits-first approach provided a way to better understand the impact of the GMC’s work and contribution to the wider healthcare system which in turn would allow the GMC to better plan, prioritise and monitor efforts to fulfil its strategic goals.

- That the team recorded its appreciation to Steve Burnett for his contribution to developing the new approach.

- Further consideration would be given to:
  
  1. The most intuitive way of presenting the benefits model information diagrams.
  2. How key outcomes/outputs and success measures were defined.
  3. How outcomes and benefits were measured.
  4. Co-ordinated and proportionate involvement of stakeholders measuring the impact of benefits.
  5. Once the new reporting had embedded, to measure how Council added value, possibly as a potential component of the 2019 Council effectiveness review, with an external perspective.

- Reviewing and clarifying the language used in the report including:
  
  1. Clearly articulating what is meant by “patient benefit” and the benefit to the public.
  2. Referring to “smarter regulation” rather than “reduced regulatory burden.”

**Report of the Investment Sub-Committee 2017**

19 Council considered the report of the Investment Sub-Committee, which outlined its work since its last report on 23 February 2017.

20 Council noted that, in light of an external review of investment arrangements, the Sub-Committee proposed a number of changes to the GMC’s Investment Policy and the Investment Sub-Committee’s Statement of Purpose.

21 Council approved the amendments to the Investment Sub-Committee’s Statement of Purpose which clarified:
a The governance arrangements of the Sub-Committee including the role of external co-opted members.

b The working arrangements of the Sub-Committee including reporting arrangements for fund managers and trading subsidiary management at Sub-Committee meetings.

c Delegated authorities for setting asset allocations.

d Reporting arrangements to Council on the summary of performance of funds invested under management and funds invested through a trading subsidiary.

22 Council approved the amendments to the Investment Policy which:

a Articulated the Investment Policy in more detail (including legal powers, objectives, rationale, risk, diversification and decision-making).

b Defined more clearly the funds available for investment, and the treatment of the remaining cash balances.

c Clarified the target rate of return, and the funds to which the target applied.

d Changed the target rate of return on funds invested under management to CPI + 2%, which reflected the low appetite for risk.

e Articulated more clearly the rationale for excluding investments for ethical reasons and added further exclusions relating to climate change and tax.

23 During discussion Council noted:

a That following its approval, in December 2017, to increase the funds available for investment from £10 million to £50 million, it would consider a proposed implementation plan and timescales at its meeting in June. The paper would include details on:

   i The asset allocation.

   ii How the fund manager intended to manage the transition.

   iii Ensuring continued adherence to Environment Social and Governance considerations, as per the GMC’s Investment Policy, when moving to a bespoke portfolio.

b Response to queries on: supply chain issues and risks including ensuring investment in companies which adhered to Modern Slavery legislation and potential for increased costs and monitoring complexities when moving to a bespoke portfolio.
c That the sustained abnormal markets referred to in the report were wider than Brexit and included ongoing international turbulence and market uncertainties.

**Transformation Programme - update**

24 Council considered a report on the progress of the Transformation Programme which outlined: overall goals, progress to date and further details of specific areas of the programme linked to culture change and people development.

25 During discussion, Council noted:

a The establishment of four programmes: Envision, Empower, Enact and Engage and the objectives of each programme.

b Ongoing monitoring and assurance within the programme structure and via oversight of the Audit and Risk Committee.

c Ongoing work to embed the new Equality, Diversity and Inclusion strategy across the GMC.

d The methodologies for improving the GMC’s culture were continually under review with continued focus on the way objectives were achieved, the introduction of 360° feedback across the GMC would further drive this change.

e Efforts to embed the projects across the four countries.

**Outcomes for Graduates - analysis of the responses to the consultation and approval for publication**

26 Council considered a paper which outlined the responses on the *Outcomes for Graduates* consultation which ran from 4 October 2017 until 10 January 2018 and the redrafted Outcomes for graduates.

27 Council:

a Considered and noted the findings of the *Outcomes for graduates* consultation.

b Approved the revised *Outcomes for graduates* for publication.

c Agreed to uncouple the practical procedures list from the main outcomes.

d Noted the practical procedures would be brought back to Council in December 2018.

28 During discussion, Council noted:

a The intention to publish the revised *Outcomes for Graduates* in June 2018.
b Positive feedback from across the four countries within the postgraduate community.

c The references to whistleblowing procedures in the *Outcomes* would be reviewed to ensure they provided information to support and protect individuals working in a pressured system.

**Mental health programme: overview, update and next steps**

29 Council noted an oral update on the GMC’s mental health and well-being project which would be led by external Chairs, Dame Denise Coia and Professor Michael West, which was part of our wider work to support vulnerable doctors and the national training surveys.

30 Council noted:

a An extensive planning meeting would be held on 2 May 2018.

b Collaboration with other organisations working on mental health and well-being.

c Plans for the scope of the project with Terms of Reference for the project under development.

31 Council welcomed the opportunity to have an early discussion on the initial plans for the health and well-being project and suggested consideration should be given to:

a Ensuring the GMC’s purpose and role was clear.

b Collaborating with other groups and organisations facing similar issues including those outside of the medical profession.

c Considering how reflective practice could be used for early detection.

d The importance of using population data and to quantify the extent of the issues.

e Well-being support for the workforce generally as well as those doctors undergoing fitness to practise procedures/ vulnerable doctors.

f The important role of “action research.”

**Any other business**

*Brown bag lunch*

32 Deirdre Kelly and Helene Hayman gave oral reports on speaking to GMC colleagues at a “brown bag lunch” on their background and role as GMC Council members and encouraged other Council members to consider taking part in future sessions.
Council noted that the feedback from GMC colleagues had been positive.

Council members were asked to indicate to the Council Secretary if they would like to participate going forward.

Date of next meeting

Council noted the date of its next meeting on 6 June 2018, in Manchester and a dinner would take place after the seminar on 5 June 2018.

Taking revalidation forward - progress update

Council noted a report on progress in delivering the action plan to implement the findings of Sir Keith Pearson’s independent review of revalidation.

Confirmed:

Terence Stephenson, Chair 6 June 2018
Executive summary
This report outlines developments in our external environment and progress on our strategy since Council last met.

Key points to note:

- The Government has significantly restricted the data-sharing arrangements that were in place between the NHS and the Home Office for immigration control purposes. We welcome this move as we were concerned the arrangement could undermine public trust in doctors and in the confidentiality of medical services.

- We have launched a major programme of work looking at why some groups of doctors are more likely than others to be referred to the GMC for fitness to practise issues. This is being led by Roger Kline and Dr Doyin Atewologun.

Recommendation
Council is asked to consider the Chief Executive’s report.
Developments in our external environment

Brexit

1 The UK Government has reached provisional agreement with the European Commission on the proposed transition period which will begin once the UK formally leaves the EU on 29 March 2019. Nevertheless, considerable uncertainty remains and it is possible that the agreement won’t be formally confirmed until the end of the year.

2 The Secretary of State for Health and Social Care has responded to my letter seeking clarity on a range of issues, in particular, whether or not we need to make contingency plans to treat doctors from the European Economic Area (EEA) coming to work in the UK as International Medical Graduates (IMGs) from 30 March 2019 or at the end of a legally defined transition period. In light of the continued uncertainty, we have begun operational planning to prepare for a ‘no deal’ Brexit in March 2019. The Chief Operating Officer’s report contains more information about trends in EEA and IMG registration, including increasing demand from IMG doctors to take the Professional and Linguistic Assessments Board (PLAB) test.

3 We have provided detailed legal comments on the draft Medical Act amendments the Department of Health and Social Care plan to introduce under the EU Withdrawal Bill when it is passed. We are still awaiting information on the drafting of the regulations that deal with the general system for EEA applicants. These regulations are the responsibility of the Department of Business, Energy and Industrial Strategy and we are concerned that with less than six months before the regulations need to be laid before Parliament, we are yet to see a draft of them.

Maintaining a confidential medical service

4 As I have previously reported to Council, we have had concerns about how an information sharing agreement between the NHS and the Home Office could undermine public trust in doctors and in the confidentiality of medical services. The relevant arrangements were set out in a Memorandum of Understanding (MoU) between NHS Digital, the Department of Health and the Home Office, which was published in January 2017. It set out the protocol for the disclosure by NHS Digital to Home Office staff of demographic information about individuals who have committed immigration offences, and are not in contact with the Home Office.

5 We wrote to NHS Digital in March 2017 seeking reassurance that it was giving appropriate weight to the public interest in maintaining a confidential medical service when considering disclosures to the Home Office. In January 2018, we responded to the Health Committee’s request for our views on the MoU, setting out our concerns and calling for a public consultation on the approach. The Chair of the Health Committee, Sarah Wollaston MP subsequently wrote to NHS Digital to request they suspend the MoU immediately and undertake a review.
In May 2018, as part of a debate on the Data Protection Bill in the House of Commons, the Government announced that the MoU will be substantially amended. With immediate effect, data sharing will only be used to trace individuals considered for deportation having been investigated or convicted of a serious criminal offence or where their presence is considered non-conducive to the public good. We welcome the decision taken by the Government and look forward to seeing the details of the revised MoU.

**Inquiries**

7. In May 2018 we responded to the report of the Independent Inquiry into Hyponatraemia-related deaths of five children in Northern Ireland. Although none of the report’s 96 recommendations is directed specifically at the GMC, we are committed to learning lessons from what occurred and to making sure that patients are protected. We have responded to several of the policy recommendations which have implications for medical regulation including recommendations for a statutory duty on candour for doctors (with criminal sanctions), that Foundation Trainees should not work in paediatric wards, and that *Good Medical Practice* should be included in doctors’ contracts.

8. Since December 2014 we have been working with the Gosport Independent Panel to assist its review into the deaths of elderly patients at the Gosport War Memorial Hospital. The panel is expected to publish its final report on 20 June 2018.

9. On the 26 April 2018 the Independent Inquiry into Child Sexual Abuse (England and Wales) published its interim report. Although the report did not directly make recommendations concerning our role it did recommend that the Home Office ensures that where a fitness to practise hearing has been conducted by the keeper of a relevant register and has resulted in removal of a practitioner from that register for reasons relating to harm or risk of harm to children the keeper of the register has a duty to refer that information to the Disclosure and Barring Service (amending the Vulnerable Groups Act 2006). Where legally permitted, this is already our standard practice. We are now preparing our formal submission to both the Inquiry in England and Wales and in Scotland.

10. On 10 May 2018 the Department of Health in Northern Ireland announced the establishment of an Independent Inquiry to review the recall of neurology patients by Belfast Health and Social Care Trust. We are monitoring developments. In the meantime, conditions have been imposed on the registration of the doctor whose practice is central to this Inquiry.

11. The terms of reference for the non-statutory Inquiry into the circumstances and practises surrounding the malpractice of breast surgeon Ian Paterson were published in March 2018. The Inquiry will aim to report in summer 2019. We have written to the Inquiry to offer our co-operation and assistance.
Progress on our strategy

Supporting reflective practice

12 We are on track to publish revised guidance on reflective practice for all doctors by September 2018. We are developing guidance about reflection to emphasise that becoming a reflective practitioner starts in medical school and continues throughout a doctors' career.

13 We have secured agreement from the Academy of Medical Royal Colleges, Conference Of Postgraduate Medical Deans and Medical Schools Council to develop the guidance collaboratively and publish it together. We have held three workshops across the UK so far, with a further workshop to be held in Belfast in June.

Fairness research

14 Roger Kline and Dr Doyin Atewologun will lead a major programme of work to better understand why some groups of doctors are referred to the GMC for fitness to practise issues more than others.

15 Roger is a Research Fellow at Middlesex University Business School. Doyin is a faculty member at Queen Mary University of London’s School of Business and Management and is an expert in work psychology, diversity and leadership.

16 Their research will enable the GMC to work with clinical leaders to properly develop supportive and open workplaces, where doctors’ interactions with the GMC, and their processes, are appropriate and fair.

17 Although previous studies have found that the GMC's processes do not introduce disproportionality in investigations into doctors, research has not yet established deeper reasons behind why certain groups of doctors are referred to the GMC by their employers more often.

18 The research findings will be reported in early 2019. A short interim report during the research will be provided in the autumn of 2018.

Health and disability review

19 We have developed new guidance that will replace our current guidance for supporting disabled medical students and doctors, Gateways to the professions.

20 We have worked with an external expert group chaired by Professor Bill Reid, Postgraduate Dean for South East Scotland. We also commissioned external research to inform the guidance and spoke to disabled students and doctors and their educators in a series of roundtable sessions across the UK. Through these activities we have built a reference community of over 250 individuals and organisations
interested in the review, who we will also invite to contribute to the public consultation.

21 We will be launching the public consultation on our new guidance *Welcomed and valued*, in June 2018. The consultation will be open for 12 weeks, after which we will review the feedback and plan to publish the final version by the end of the year.

22 *Welcomed and valued* maintains the core principles from *Gateways* and reiterates the importance of welcoming disabled people into medicine. A diverse population is better served by a diverse medical workforce.

**Executive Board**

23 The Executive Board met on 30 April 2018 and agreed the draft 2017 Trustees’ Annual report and accounts, the 2017 Impact Report and annual fitness to practise statistics for submission to this meeting of Council.

24 The Board agreed to explore different approaches to business planning in 2019 and agreed that SMT would have a further discussion on mapping the organisation’s priority activities against our strategic aims.

25 The Board also discussed a report on corporate complaints received, ahead of Council’s consideration of the complaints report at this meeting.
### Executive summary

This report provides an update on our operational performance, key projects and programmes, and other operational matters arising including:

- High volumes of enquiries regarding Alfie Evans.
- Update on new activities and 2018 business plan re-prioritisation.
- Trends in applications for registration from International Medical Graduates and doctors from the European Economic Area.
- GMC Transformation Programme.
- Update on our investment performance and Quarter 1 forecast.

### Recommendation

Council is asked to consider this report and Council portfolio (at Annex A) and Corporate Opportunities and Risk Register (at Annex B).
Issue

1. This report provides an update on our operational performance, strategic progress, and other operational matters arising. It is exception-based, highlighting the key issues that Council should be aware of in the delivery of our work programme for 2018.

Operational Key Performance Indicators

2. All operational key performance indicators (KPIs), at Annex A, were met up to the end of April 2018.

Strategic delivery

3. Annex A shows the detail of our strategic delivery, by exception. We are revising the Consent Guidance consultation launch date to consider what, if any, further pre-consultation engagement may be required.

4. Resource for Welcome to UK Practice is amber; a growth bid has been submitted for an Officer level secondment to support the project.

5. We have extended the timeframe for the review of patient feedback requirements within the Taking Revalidation Forward programme. Instead of a public consultation in September, we will work with stakeholders over the remainder of 2018 to identify a preferred option and consult on this during the first half of 2019.

6. The Publication and disclosure project is delayed due to the ongoing review of historical sanctions; there are still a number of the most complex cases that have not yet been classified.

7. The final UMbRELLA report on the Evaluation of Revalidation was published on 1 May 2018. Further work to explore the key themes emerging from the report will now be taken forward as part of the Taking Revalidation Forward programme.

8. The Regulation of Medical Associate Professionals (MAPs) project will be put on hold until we are clear of Department of Health’s intention for regulating MAPs.

High volumes of enquiries regarding Alfie Evans

9. In late April and early May, our Contact Centre received in the region of 10,000 emails within several days from a wide range of individuals in the UK and overseas in relation to Alfie Evans, who tragically passed away on 28 April 2018 at Alder Hey Children’s Hospital. The emails covered a range of issues including questions relating to the ethics of the circumstances. Others included expressions of dissatisfaction whilst some alleged poor practice by the team who looked after Alfie. Our Contact
Centre worked hard to analyse and respond to emails within our service target. Whilst our response on this issue acknowledges the very distressing nature of the case, we also set out clearly that it is not for us to intervene or to comment on the specifics, beyond highlighting the guidance we provide to doctors on caring for children at the end of their lives. We will continue to monitor any further communications received.

**Update on new commitments, and reprioritisation of the 2018 Business Plan**

10 As I set out in my last report to you in April, we have initiated a number of new work programmes to address concerns raised by the profession following the High Court’s judgment in respect of the Dr Bawa-Garba case.

11 Many of these activities are expansions of work already planned under our 2018-2020 Corporate Strategy, such as our health and well-being programme. As with other projects in the Corporate Portfolio, we shall report on these activities against our key strategic benefits. To provide oversight and ensure we can make rapid progress to address concerns, we have set up a dedicated sub-portfolio which will be overseen by our Director of Fitness to Practise, Anthony Omo.

12 This sub-portfolio includes a number of programmes to enhance support for the profession. A key activity is our UK-wide, independent review of gross negligence manslaughter and culpable homicide in Scotland. This will consider what might be done to improve the application of existing law in cases involving doctors and is due to report by early 2019. A number of factors will affect doctors’ experience in many areas we are seeking to address, such as raising and acting on concerns, and support for doctors when they start new roles or return to work. In keeping with the aims of our 2018-2020 Corporate Strategy, we are working with key partners including the British Medical Association (BMA), the wider profession, and the four UK governments to make progress and help develop supportive and open workplaces.

13 To ensure that we can deliver the benefits to stakeholders as quickly as possible, whilst not compromising quality of our statutory functions, we have reviewed our 2018 business plan to identify which activities might be rescheduled. This will allow us to refocus our resource to this programme of work.

14 The following projects which we committed to in our 2018 business plan will be reviewed and a decision made about their future delivery.

a Meetings with doctors and patients – deferred until 2019.

b Expanding use of provisional enquiries – on hold. Pilot of provisional enquiries for single clinical concerns has been deferred from June to later in 2018.
c  Local first – we will deliver on a slower track and defer the start of the pilot to 2019.

d  Better signposting for patients on how to raise a concern – defer until later in the year.

e  Consulting on patient feedback as part of Taking Revalidation Forward – deferred until March 2019.

f  Harms reduction – continue to prioritise and deliver current work with the Scottish Government but defer other work streams until 2019.

g  Customer service accreditation – defer until 2019.

h  Advance Protocol Interface (API) feasibility study, which will explore how we can better develop a database system to more effectively share data and information with Deaneries, Local Education Training Boards (LETBs) and Royal Colleges – pause while we consider whether the costs would outweigh any benefits.

i  Review of advice on clinical placements for medical students – paused, likely until 2019.

15  We are also adjusting delivery plans for some of our internally-focused work. Development of some data and insight products, for example, will be scaled back. Some activities under our Transformation Programme, such as the delivery of our new Intranet and policy framework, which will be delivered on a slower timeframe.

16  We have developed a detailed communications plan to update key stakeholders who are affected by changes in delivery of our work.

Trends in applications for registration from International Medical Graduates and doctors from the European Economic Area

17  We have seen a significant increase in registration applications from International Medical Graduates (IMGs) since the beginning of 2018. In the first four months of 2018, we received 2284 applications from IMGs, a 49% increase when compared to the same time period last year. While we do not have concrete evidence as to why an increasing number of IMGs are applying for registration in the UK, we expect the number of live vacancies in the UK medical workforce is a significant driver. Conversely, we have seen a continuing decline in applications from European nationals. Graph 1 at Annex A shows these trends in more detail, and Graph 4 against the overall net movement of the register. We will continue to monitor these trends closely and provide regular updates to Council.
18 There has also been a sustained increase in volumes of Professional and Linguistic Assessments Board (PLAB) 1 and PLAB 2 assessments over the last five years. We have seen more candidates sit PLAB 1 between January and April 2018 than we did in the whole of 2015. Graph 2 at Annex A shows these trends in more detail. The significant increase in demand for PLAB 1 is having a knock on impact on demand for places on PLAB 2, which is delivered through the Clinical Assessment Centre (CAC), our dedicated facility for assessing the clinical and communication skills of doctors. We have already increased capacity through an improvement programme, increases in staffing and Saturday opening in 2018. To ensure that we can continue to meet demand, the Executive Board agreed on 30 April 2018 to the appointment of property consultants to evaluate and cost options for delivery of a new or expanded CAC facility. We do not foresee this significantly affecting the 2018 budget, but Council will be kept updated on any key decisions in relation to this issue.

Our new Corporate Opportunities and Risk Register

19 The Corporate Opportunities and Risk Register (CORR) continues to bed in and the Senior Management Team has recently reviewed the register and determined that there are no additional risks to add. A number of minor updates have been made to mitigation activities and the full CORR is shown at Annex B. Risk IT15 - the volume and complexity of the programme of work we seek to undertake exceeds our capacity to successfully deliver remains at a significant level. As the re-prioritisation exercise referred to in paragraphs 4-10 is fully implemented and resources diverted in line with the identified priorities, we anticipate that this will reduce.

GMC Transformation Programme

20 Progress with our Transformation Programme, which will help us become a more agile and relevant regulator, includes:

a Continuing to roll out our ‘feedback for success’ programme, with 371 staff from our initial spring cohort taking part in March 2018.

b Completion of our annual staff survey for 2018.

c Launching our new website on 8 April 2018. This is a key milestone of our Digital Transformation 2020 programme, which is helping us to transform our interaction with key audiences.

d Publishing guidance for staff on which types of decisions need to come to our Boards and Committees, as part of the streamlining of our governance processes.
Update on our investment performance

21 Our investments are managed by CCLA. We currently have £10 million invested and returns are currently £204k under budget. Performance in the first quarter was under target, but this improved in April. In December 2017, Council agreed in principle to increase funds under management to £50 million. We are forecasting to be £448k under budget at the end of the year, which reflects the underperformance to date plus a further £244k due to investing the additional funds with CCLA later than originally planned.

22 A GMCSI financial summary is included for the first time at Annex A.

Update on Quarter 1 forecast

23 The budgeted surplus in 2018 was £6.9m and, as at the end of the first quarter, we now forecast a surplus of £6.6m. Income is forecast to be £622k above budget as a result of an increase in demand for PLAB, and increase in applications for registration from IMGs. Expenditure is expected to be £925k over budget, mainly due to the costs of holding additional PLAB assessments, and a 11% anticipated increase in MPTS hearing days compared to budget. This is as a consequence of higher case referral rates in the latter months of 2017 and early stages of 2018. However, the overspend may be greater if directorates are not able to achieve their efficiency savings target in full. We will monitor this closely and update our forecast at the end of Q2.
M4 - Annex A

Council portfolio

Data presented as at 30 April 2018 (unless otherwise stated)
Commentary as at 10 May 2018

Working with doctors Working for patients
## Operational Key Performance Indicator (KPI) summary

<table>
<thead>
<tr>
<th>Core regulatory objective</th>
<th>Key Performance Indicator</th>
<th>Performance</th>
<th>Exception summary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>We decide which doctors are qualified to work here and we oversee UK medical education and training.</strong></td>
<td>Decision on 95% of all registration applications within 3 months</td>
<td>98%</td>
<td>99%</td>
</tr>
<tr>
<td></td>
<td>Answer 80% of calls within 20 seconds</td>
<td>94%</td>
<td>91%</td>
</tr>
<tr>
<td><strong>We set the standards that doctors need to follow, and make sure that they continue to meet these standards throughout their careers.</strong></td>
<td>Decision on 95% of all revalidation recommendations within 5 days</td>
<td>99%</td>
<td>98%</td>
</tr>
<tr>
<td></td>
<td>Respond to 90% of ethical/standards enquiries within 15 working days</td>
<td>100%</td>
<td>95%</td>
</tr>
<tr>
<td><strong>We take action to prevent a doctor from putting the safety of patients, or the public's confidence in doctors, at risk.</strong></td>
<td>Conclude 90% of fitness to practise cases within 12 months</td>
<td>95%</td>
<td>95%</td>
</tr>
<tr>
<td></td>
<td>Conclude or refer 90% of cases at investigation stage within 6 months</td>
<td>93%</td>
<td>94%</td>
</tr>
<tr>
<td></td>
<td>Conclude or refer 95% of cases at the investigation stage within 12 months</td>
<td>97%</td>
<td>98%</td>
</tr>
<tr>
<td></td>
<td>Commence 100% of Investigation Committee hearings within 2 months of referral</td>
<td>100%</td>
<td>N/A*</td>
</tr>
<tr>
<td></td>
<td>Commence 100% of Interim Order Tribunal hearings within 3 weeks of referral</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business support area</th>
<th>Key Performance Indicator</th>
<th>Performance</th>
<th>Exception summary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Finance</strong></td>
<td>2017/18 Income and expenditure [% variance]</td>
<td>0.27%</td>
<td>0.70%</td>
</tr>
<tr>
<td><strong>HR</strong></td>
<td>Rolling twelve month staff turnover within 8-15% (excluding change programme (redundancy) effects)</td>
<td>8.56%</td>
<td>8.19%</td>
</tr>
<tr>
<td><strong>Information systems</strong></td>
<td>IS system availability (%)</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>Media monitoring</strong></td>
<td>Monthly media score</td>
<td>957</td>
<td>-82</td>
</tr>
</tbody>
</table>

*No Investigation Committee hearings were scheduled within this period.*
Strategic delivery – overall view

The diagram below shows the key benefits of the 2018-2020 Corporate Strategy. The RAG ratings indicate our progress with delivery of the activities that will realise these benefits. More detail on exceptions is on slides 4 -5.
Strategic delivery (by exception)

Strategic aim 1: Supporting doctors in delivering good medical practice

<table>
<thead>
<tr>
<th>Key benefit</th>
<th>Activities to deliver (by exception)</th>
<th>Lead indicators</th>
<th>Lag indicators*</th>
<th>Exception commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doctors are supported to deliver high quality care</td>
<td>Revised consent guidance</td>
<td>Guidance reflects shifts in legal, policy and workplace environments</td>
<td>TBC</td>
<td>Following further discussions internally and taking the external environment and other GMC activity into account, the consultation launch has been delayed. The team are working with colleagues to agree a revised launch date and to consider what, if any, further pre-consultation engagement may be required.</td>
</tr>
<tr>
<td></td>
<td>Welcome to UK Practice</td>
<td>Plans for expansion of programme are in place</td>
<td>TBC</td>
<td>We have received the interim evaluation report, which included ways to enhance our process and delivery. The final report is due in October 2018. We have begun to model our customer journey map however, resource is amber, but a growth bid has been submitted for an Officer level secondment is planned to support the project.</td>
</tr>
<tr>
<td></td>
<td>Taking Revalidation Forward</td>
<td>Clearer guidance on supporting information for appraisal for revalidation</td>
<td>TBC</td>
<td>In the light of our re-prioritisation exercise, and the delay in the publication of the Reflective practice guidance, it has been agreed we should extend the timeframe for the review of patient feedback requirements. Instead of a public consultation in September, we will work with stakeholders over the remainder of 2018 to identify a preferred option and consult on this during the first half of 2019. As the patient feedback review will not finish until early 2019, we have decided to remove it from the Taking Revalidation Forward Programme and manage it as a separate project.</td>
</tr>
<tr>
<td></td>
<td>Evaluation of revalidation</td>
<td>Publication of report</td>
<td>TBC</td>
<td>The final UMbRELLA report was published on 1 May 2018 to align with Manchester Business School, who published their own evaluation of the impact of revalidation in England on the same date. We hope coordinating publication of both reports will maximise the impact of both pieces of research and help stakeholders put both sets of findings in context. Whilst the project to deliver the UMbRELLA report is now completed, further work to explore the key themes emerging from the report will now be taken forward as part of the Taking Revalidation Forward programme.</td>
</tr>
</tbody>
</table>
Strategic delivery (by exception)

Strategic aim 3: Strengthening our relationship with the public and the profession

Key benefit
Activities to deliver (by exception)
Lead indicators
Lag indicators*
Exception commentary

Enhanced customer service
Publication and disclosure
Revised policy and supporting system changes published
TBC
The project is delayed due to the ongoing review of historical sanctions, there are still a number of the most complex cases that have not yet been classified, and so review activity is ongoing and feedback is given to the project sponsor when additional guidance is required.

Contribute to public confidence in doctors
Local first for clinical complaints
Plans for a pilot are in place
TBC
The scope of the Local First programme has not yet been agreed by the programme board, which has been delayed until May 2018. Following receipt of legal advice from Counsel, which clearly defined what we can achieve within our legislative framework, we have concluded the scoping and initiation stage of the programme. Work has progressed around the collection of evidence locally. It has been agreed the principles of a good investigation can go into the Governance handbook. We are monitoring the uptake of Responsible Officers (ROs) referrals via GMC Connect, and work is ongoing with the Employer Liaison Service to explore ways we can encourage more ROs to make referrals through this channel.

Strategic aim 4: Meeting the change needs of the health services across the four countries of the UK

Key benefit
Activities to deliver (by exception)
Lead indicators
Lag indicators*
Exception commentary

UK workforce needs better met
Regulation of Medical Associate Professionals (MAPs)
An implementation plan is developed
TBC
We are still awaiting the outcomes of the Department of Health’s (DH) consultation and as a result the project will be put on hold until we are clear of Department of Health’s intention for regulating MAPs.
Financial summary

### Finance - Summary

<table>
<thead>
<tr>
<th>Budget Apr</th>
<th>Actual Apr</th>
<th>Variance</th>
<th>Q1 Forecast</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>%</td>
</tr>
<tr>
<td>Operational expenditure</td>
<td>32,523</td>
<td>32,509</td>
<td>14</td>
<td>0%</td>
</tr>
<tr>
<td>New initiatives fund</td>
<td>62</td>
<td>62</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Total expenditure</td>
<td>32,585</td>
<td>32,571</td>
<td>14</td>
<td>0%</td>
</tr>
<tr>
<td>Total income</td>
<td>37,194</td>
<td>37,439</td>
<td>245</td>
<td>1%</td>
</tr>
<tr>
<td>Surplus/(deficit)</td>
<td>4,609</td>
<td>4,868</td>
<td>259</td>
<td></td>
</tr>
</tbody>
</table>

### Capital Programme

<table>
<thead>
<tr>
<th>Capital Programme</th>
<th>£000</th>
<th>£000</th>
<th>£000</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,688</td>
<td>1,695</td>
<td>(7)</td>
<td>(0)%</td>
<td></td>
</tr>
<tr>
<td>6,000</td>
<td>6,000</td>
<td>0</td>
<td>0%</td>
<td></td>
</tr>
</tbody>
</table>

### Significant issues / Changes from previous month:

- **Staffing costs (£83k under budget)**: Our budgeting process assumes a vacancy rate of 70 roles. At the end of April we have 102 posts vacant. Of this, 97 posts are in the process of being recruited to, and 5 posts are purposefully being held vacant as their recruitment is dependant on other vacant roles. We also have 14 unbudgeted staff appointed to cover increased workloads, dual running and maternity leave, so the net variance compared to budget is 88 posts.

- **Investment income (£204k under budget)**: This is due to short term fluctuations in market conditions. The long term target is CPI plus 2%.

- **PLAB fees and registration fees (£401k over budget)**: Demand levels for candidates taking the PLAB 1 & 2 tests have continued to increase significantly from 2017, resulting in an increase in PLAB days held to the end of April. The rise in candidates also drives growth in the volume of IMG applications, resulting in further additional income.

### Key drivers of expenditure forecast

<table>
<thead>
<tr>
<th>Key changes</th>
<th>£000</th>
<th></th>
</tr>
</thead>
</table>
| Headcount changes | 152 | Headcount forecast based on average of 6 FTEs under budget after adjusting for churn.  
11% increase in MPTS hearing days creates additional direct & indirect costs in MPTS, & legal costs in FTP. Increase in PLAB volumes creates additional direct and indirect costs. Forecast assumes five fewer CAG days than budgeted.  
The increased use of legally qualified chairs in MPTS has reduced the average cost of a hearing day (an efficiency saving).  
Additional professional expenses in OCCE for the governance and complaints reviews, policy summits held by Strategy & Policy and the pharmaceutical medicine visits, undertaken by Education & Standards, not in plan and additional training costs (leadership & management development programme).  
The rollout of meetings with doctors and patients has been deferred to 2019. Also, some directorates are forecasting that they may not achieve their efficiency target.  
Total | -925 |
## Financial – detail

### Expenditure as at April 2018

<table>
<thead>
<tr>
<th></th>
<th>Budget Apr £000</th>
<th>Actual Apr £000</th>
<th>Variance £000</th>
<th>%</th>
<th>Budget Jan - Dec £000</th>
<th>Q1 Forecast £000</th>
<th>Variance £000</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff costs</td>
<td>18,741</td>
<td>18,658</td>
<td>83</td>
<td>0%</td>
<td>58,178</td>
<td>58,035</td>
<td>143</td>
<td>0%</td>
</tr>
<tr>
<td>Staff support costs</td>
<td>1,045</td>
<td>1,104</td>
<td>(59)</td>
<td>(6)%</td>
<td>3,460</td>
<td>3,827</td>
<td>(367)</td>
<td>(11)%</td>
</tr>
<tr>
<td>Office supplies</td>
<td>586</td>
<td>533</td>
<td>53</td>
<td>9%</td>
<td>1,962</td>
<td>1,962</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>IT &amp; telecoms costs</td>
<td>1,163</td>
<td>1,121</td>
<td>42</td>
<td>4%</td>
<td>3,499</td>
<td>3,447</td>
<td>52</td>
<td>1%</td>
</tr>
<tr>
<td>Accommodation costs</td>
<td>1,874</td>
<td>1,865</td>
<td>9</td>
<td>0%</td>
<td>5,726</td>
<td>5,725</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Legal costs</td>
<td>1,401</td>
<td>1,400</td>
<td>1</td>
<td>0%</td>
<td>4,159</td>
<td>4,298</td>
<td>(139)</td>
<td>(3)%</td>
</tr>
<tr>
<td>Professional fees</td>
<td>438</td>
<td>498</td>
<td>(60)</td>
<td>(14)%</td>
<td>2,189</td>
<td>2,264</td>
<td>(75)</td>
<td>(3)%</td>
</tr>
<tr>
<td>Council &amp; members costs</td>
<td>193</td>
<td>172</td>
<td>21</td>
<td>11%</td>
<td>541</td>
<td>520</td>
<td>21</td>
<td>4%</td>
</tr>
<tr>
<td>Panel &amp; assessment costs</td>
<td>4,507</td>
<td>4,528</td>
<td>(21)</td>
<td>(0)%</td>
<td>13,913</td>
<td>14,730</td>
<td>(817)</td>
<td>(6)%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,352</td>
<td>2,332</td>
<td>20</td>
<td>1%</td>
<td>7,057</td>
<td>7,015</td>
<td>42</td>
<td>1%</td>
</tr>
<tr>
<td>PSA Levy</td>
<td>235</td>
<td>236</td>
<td>(1)</td>
<td>(0)%</td>
<td>710</td>
<td>733</td>
<td>(23)</td>
<td>(3)%</td>
</tr>
<tr>
<td>Under-achievement of efficiency savings</td>
<td>(74)</td>
<td>0</td>
<td>(74)</td>
<td>0%</td>
<td>(1,714)</td>
<td>(1,951)</td>
<td>237</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Operational expenditure</strong></td>
<td>32,461</td>
<td>32,447</td>
<td>14</td>
<td>0%</td>
<td>99,680</td>
<td>100,605</td>
<td>(925)</td>
<td>(1)%</td>
</tr>
<tr>
<td>New initiatives fund</td>
<td>62</td>
<td>62</td>
<td>0</td>
<td>0%</td>
<td>2,500</td>
<td>2,500</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td>32,523</td>
<td>32,509</td>
<td>14</td>
<td>0%</td>
<td>102,180</td>
<td>103,105</td>
<td>(925)</td>
<td>(1)%</td>
</tr>
</tbody>
</table>

### Income as at April 2018

<table>
<thead>
<tr>
<th></th>
<th>Budget Apr £000</th>
<th>Actual Apr £000</th>
<th>Variance £000</th>
<th>%</th>
<th>Budget Jan - Dec £000</th>
<th>Q1 Forecast £000</th>
<th>Variance £000</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual retention fees</td>
<td>32,876</td>
<td>32,777</td>
<td>(99)</td>
<td>(0)%</td>
<td>93,551</td>
<td>93,131</td>
<td>(420)</td>
<td>(0)%</td>
</tr>
<tr>
<td>Registration fees</td>
<td>775</td>
<td>800</td>
<td>25</td>
<td>3%</td>
<td>3,546</td>
<td>3,911</td>
<td>365</td>
<td>10%</td>
</tr>
<tr>
<td>PLAB fees</td>
<td>1,862</td>
<td>2,263</td>
<td>401</td>
<td>22%</td>
<td>5,622</td>
<td>6,461</td>
<td>799</td>
<td>14%</td>
</tr>
<tr>
<td>Specialist application CCT fees</td>
<td>525</td>
<td>610</td>
<td>85</td>
<td>16%</td>
<td>2,582</td>
<td>2,746</td>
<td>164</td>
<td>6%</td>
</tr>
<tr>
<td>Specialist application CESR/CEGPR fees</td>
<td>295</td>
<td>329</td>
<td>34</td>
<td>12%</td>
<td>801</td>
<td>873</td>
<td>72</td>
<td>9%</td>
</tr>
<tr>
<td>Interest income</td>
<td>202</td>
<td>233</td>
<td>31</td>
<td>15%</td>
<td>570</td>
<td>669</td>
<td>99</td>
<td>17%</td>
</tr>
<tr>
<td>Investment income</td>
<td>168</td>
<td>(36)</td>
<td>(204)</td>
<td>(121)%</td>
<td>1,141</td>
<td>693</td>
<td>(448)</td>
<td>(39)%</td>
</tr>
<tr>
<td>Other income</td>
<td>491</td>
<td>463</td>
<td>(28)</td>
<td>(6)%</td>
<td>1,274</td>
<td>1,265</td>
<td>(9)</td>
<td>(1)%</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>37,194</td>
<td>37,439</td>
<td>245</td>
<td>1%</td>
<td>109,127</td>
<td>109,749</td>
<td>622</td>
<td>1%</td>
</tr>
</tbody>
</table>

| Surplus / (deficit)  | 4,671           | 4,930           | 259           | | 6,947                | 6,644          | (303)         | |
## GMCSI summary and investments summary

### Finance - GMCSI summary

<table>
<thead>
<tr>
<th>GMCSI summary January to April 2018</th>
<th>Budget Apr £000</th>
<th>Actual Apr £000</th>
<th>Variance £000</th>
<th>%</th>
<th>Budget Jan - Dec £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>GMCSI income</td>
<td>60</td>
<td>24</td>
<td>-36</td>
<td>(60)%</td>
<td>1,186</td>
</tr>
<tr>
<td>GMCSI expenditure</td>
<td>306</td>
<td>191</td>
<td>115</td>
<td>38%</td>
<td>1,119</td>
</tr>
<tr>
<td><strong>Profit/ (loss)</strong></td>
<td>(246)</td>
<td>(167)</td>
<td>79</td>
<td>67</td>
<td></td>
</tr>
</tbody>
</table>

### Finance - investments summary as at 31st March 2018 (figures are updated quarterly)

<table>
<thead>
<tr>
<th>Capital value of funds invested</th>
<th>Original value £000</th>
<th>Current value £000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£10,000</td>
<td>£10,408</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Asset Allocation</th>
<th>GMC thresholds</th>
<th>Current allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>20% - 50%</td>
<td>40.1%</td>
</tr>
<tr>
<td>Fixed interest</td>
<td>0% - 25%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Cash and near-cash</td>
<td>25% - 65%</td>
<td>48.9%</td>
</tr>
<tr>
<td>Infrastructure and operating assets</td>
<td>0% - 20%</td>
<td>5.2%</td>
</tr>
<tr>
<td>Property</td>
<td>0% - 10%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Other</td>
<td>0% - 10%</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

### Investment returns

<table>
<thead>
<tr>
<th></th>
<th>Annual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target (CPI + 2%)</td>
<td>4.49%</td>
</tr>
<tr>
<td>CCLA performance</td>
<td>2.64%</td>
</tr>
</tbody>
</table>
Legal summary (as at 4 May 2018)

The table below provides a summary of appeals and judicial reviews as at 4 May 2018:

<table>
<thead>
<tr>
<th>Open cases carried forward since last report</th>
<th>New cases</th>
<th>Concluded cases</th>
<th>Outstanding cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>s.40 (Practitioner) Appeals</td>
<td>13</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>s.40A (GMC) Appeals</td>
<td>2</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Professional Standards Authority (PSA) Appeals</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Judicial Reviews</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Interim Order Tribunal (IOT) Challenges</td>
<td>0</td>
<td>3</td>
<td>0</td>
</tr>
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</table>

Explanation of concluded cases

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
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</thead>
<tbody>
<tr>
<td>s.40 (Practitioner) Appeals</td>
<td>5 appeals dismissed</td>
</tr>
<tr>
<td></td>
<td>1 withdrawn</td>
</tr>
<tr>
<td></td>
<td>1 successful</td>
</tr>
<tr>
<td>s.40A (GMC) Appeals</td>
<td>2 successful appeals</td>
</tr>
<tr>
<td>Judicial Reviews</td>
<td>1 permission refused</td>
</tr>
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</table>

New referrals by PSA to the High Court under Section 29 since the last report with explanation, and any applications outstanding

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
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<tbody>
<tr>
<td>PSA Appeals</td>
<td>N/A</td>
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</tbody>
</table>

Any new applications in the High Court challenging the imposition of interim orders since the last report with explanation; and total number of applications outstanding

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
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<tbody>
<tr>
<td>IOT challenges</td>
<td>3 new challenges, all outstanding</td>
</tr>
</tbody>
</table>

Any other litigation of particular note

We continue to deal with a range of other litigation, including cases before the Employment Tribunal, the Employment Appeals Tribunal and the Court of Appeal.
Trends in registration applications

Graph 1

Registration applications received by month
International Medical Graduates

Graph 2

Registration applications received by month
European Primary Medical Qualification
Trends in registration applications

**Graph 3**

<table>
<thead>
<tr>
<th>Year</th>
<th>PLAB 1</th>
<th>PLAB 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>2,536</td>
<td>2,494</td>
</tr>
<tr>
<td>2014</td>
<td>2,719</td>
<td>2,454</td>
</tr>
<tr>
<td>2015</td>
<td>2,966</td>
<td>2,966</td>
</tr>
<tr>
<td>2016</td>
<td>3,314</td>
<td>3,314</td>
</tr>
<tr>
<td>2017</td>
<td>4,011</td>
<td>4,011</td>
</tr>
<tr>
<td>2018 (Jan-Apr)</td>
<td>3,243</td>
<td>3,243</td>
</tr>
</tbody>
</table>

**Graph 4**

Registered and licensed doctors on the register

- **EEA**: 236,234
- **IMG**: 61,267
- **Total doctors on register**: 294,501

<table>
<thead>
<tr>
<th>Year</th>
<th>EEA</th>
<th>IMG</th>
<th>Total doctors</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>23,363</td>
<td>21,782</td>
<td>45,145</td>
</tr>
<tr>
<td>2013</td>
<td>21,443</td>
<td>21,793</td>
<td>43,236</td>
</tr>
<tr>
<td>2014</td>
<td>21,428</td>
<td>21,793</td>
<td>43,221</td>
</tr>
<tr>
<td>2015</td>
<td>21,428</td>
<td>21,793</td>
<td>43,221</td>
</tr>
<tr>
<td>2016</td>
<td>21,428</td>
<td>21,793</td>
<td>43,221</td>
</tr>
<tr>
<td>2017</td>
<td>21,428</td>
<td>21,793</td>
<td>43,221</td>
</tr>
<tr>
<td>2018</td>
<td>21,428</td>
<td>21,793</td>
<td>43,221</td>
</tr>
</tbody>
</table>
6 - Chief Operating Officer’s Report

Corporate Opportunities and Risk Register (CORR)
GMC’s Corporate Opportunities and Risk Register

The register is split into two main sections:

1 **Strategic opportunities and risks in delivering our corporate strategy** (denoted OSOP1, OSOP2 etc for opportunities, and OT1, OT2 etc for threats) and each of its strategic aims:
   - Aim 1 – include in full (denoted OP1.1, OP1.2 etc for opportunities, and T1.1, T1.2 etc for threats)
   - Aim 2 – in full etc (denoted OP2.1, OP2.2 etc for opportunities, and T2.1, T2.2 etc for threats)
   - Aim 3 – in full etc (denoted OP3.1, OP3.2 etc for opportunities, and T3.1, T3.2 etc for threats)
   - Aim 4 – in full etc (denoted OP4.1, OP4.2 etc for opportunities, and T4.1, T4.2 etc for threats)

2 **Business risks** and how we manage them:

   - operational risks we are actively managing (denoted AOP1, AOP2 etc for opportunities AT1, AT2, etc for threats)
   - inherent risks in our business of being a regulator (denoted IOP1, IOP2 etc for opportunities IT1, IT2, etc for threats)
### Strategic risks and how we manage them

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<tbody>
<tr>
<td>OSOP1</td>
<td>Threat</td>
<td>Patient and Public Engagement Plan, including a live engagement strategy, with our field force teams and Directorates linking up to ensure the work we are doing within the business is promoted to external partners and stakeholders</td>
<td>P. Buckley</td>
<td>• Patient and Public Engagement Plan, including a live engagement strategy, with our field force teams and Directorates linking up to ensure the work we are doing within the business is promoted to external partners and stakeholders</td>
<td>• Transformation Programme exception-based update at alternative Executive Board meetings</td>
<td>Low</td>
<td>Yes</td>
<td>• Work to expand our field forces</td>
</tr>
<tr>
<td>OSOP1</td>
<td>Opportunity</td>
<td>If we clearly articulate our new strategic direction to partners and the profession, we have an opportunity to build a platform from which to start moving “upstream” in our work and be seen to actively support doctors at all stages of their careers</td>
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<tr>
<td>OSOP2</td>
<td>Threat</td>
<td>We use our reputation for operational excellence to further enhance collaboration with our stakeholders, so that we identify new opportunities to deliver our statutory functions and contribute to patient safety in the wider healthcare system</td>
<td>J. Reynolds</td>
<td>• We use our reputation for operational excellence to further enhance collaboration with our stakeholders, so that we identify new opportunities to deliver our statutory functions and contribute to patient safety in the wider healthcare system</td>
<td>• Transformation Programme exception-based update at alternative Executive Board meetings</td>
<td>Low</td>
<td>No</td>
<td>• Follow through on GMC One Voice</td>
</tr>
<tr>
<td>OSOP2</td>
<td>Opportunity</td>
<td>Through enhancing our engagement across all of our activities, we empower and develop members of staff to build strong and mutually beneficial relationships with stakeholders, and understand the impact of GMC decisions/interventions, so that we achieve the full impact of our ambition to be collaborative</td>
<td>J. Reynolds</td>
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<td>Low</td>
<td>Yes</td>
<td>• Follow through on GMC One Voice</td>
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<tr>
<td>OSOP3</td>
<td>Threat</td>
<td>If we do not keep abreast of changes in the UK healthcare environment and the wider policy/legislative environment, or understand how these impact on individual doctor’s practice, we will not be able to provide timely and targeted support to those doctors who need it most, with a consequent impact on patient safety and our ability to be effective regulator</td>
<td>P. Buckley</td>
<td>• If we do not keep abreast of changes in the UK healthcare environment and the wider policy/legislative environment, or understand how these impact on individual doctor’s practice, we will not be able to provide timely and targeted support to those doctors who need it most, with a consequent impact on patient safety and our ability to be effective regulator</td>
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<td>Low</td>
<td>No</td>
<td>• Transform horizon scanning activities</td>
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#### Overarching opportunities and risks in delivering the Corporate Strategy

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<td>Low</td>
<td>Yes</td>
<td>• Work to expand our field forces</td>
</tr>
<tr>
<td>OSOP2</td>
<td>Threat</td>
<td>We use our reputation for operational excellence to further enhance collaboration with our stakeholders, so that we identify new opportunities to deliver our statutory functions and contribute to patient safety in the wider healthcare system</td>
<td>J. Reynolds</td>
<td>• We use our reputation for operational excellence to further enhance collaboration with our stakeholders, so that we identify new opportunities to deliver our statutory functions and contribute to patient safety in the wider healthcare system</td>
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<td>No</td>
<td>• Follow through on GMC One Voice</td>
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<td>Low</td>
<td>No</td>
<td>• Transform horizon planning activities</td>
</tr>
</tbody>
</table>

#### Further Risk Details

- **Mitigation (for threats):**
  - OSOP1: If we clearly articulate our new strategic direction to partners and the profession, we have an opportunity to build a platform from which to start moving “upstream” in our work and be seen to actively support doctors at all stages of their careers. This requires strategic planning and clear communication to ensure that our efforts are directed effectively.
  - OSOP2: Through enhancing our engagement across all of our activities, we empower and develop members of staff to build strong and mutually beneficial relationships with stakeholders, and understand the impact of GMC decisions/interventions, so that we achieve the full impact of our ambition to be collaborative. This involves ongoing training and engagement programs.
  - OSOP3: If we do not keep abreast of changes in the UK healthcare environment and the wider policy/legislative environment, or understand how these impact on individual doctor’s practice, we will not be able to provide timely and targeted support to those doctors who need it most, with a consequent impact on patient safety and our ability to be effective regulator. This necessitates continuous monitoring and adaptation of our strategies.

- **Enhancement (for opportunities):**
  - OSOP1: If we clearly articulate our new strategic direction to partners and the profession, we have an opportunity to build a platform from which to start moving “upstream” in our work and be seen to actively support doctors at all stages of their careers. This requires strategic planning and clear communication to ensure that our efforts are directed effectively.
  - OSOP2: Through enhancing our engagement across all of our activities, we empower and develop members of staff to build strong and mutually beneficial relationships with stakeholders, and understand the impact of GMC decisions/interventions, so that we achieve the full impact of our ambition to be collaborative. This involves ongoing training and engagement programs.
  - OSOP3: If we do not keep abreast of changes in the UK healthcare environment and the wider policy/legislative environment, or understand how these impact on individual doctor’s practice, we will not be able to provide timely and targeted support to those doctors who need it most, with a consequent impact on patient safety and our ability to be effective regulator. This necessitates continuous monitoring and adaptation of our strategies.
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<tr>
<td>OST2 Threat</td>
<td>If we do not have sufficient capacity, experience or expertise within our data functions, then we will not be able to continue to use our data and insights to greater effect in anticipating and highlighting emerging risks, to support doctors in delivering high quality healthcare, and to inform the development of new policies and interventions</td>
<td>P. Buckley</td>
<td>Quite Likely</td>
<td>Major</td>
<td>• Strategy and Policy Directorate – Regulatory Policy Teams &amp; Policy Leadership Group – more evidence led policy</td>
<td>Low</td>
<td>Yes</td>
<td>• Next phase of Data Strategy</td>
<td>Low</td>
</tr>
<tr>
<td>OST3 Threat</td>
<td>If our external partners do not share our strategic priorities, vision and standards, we will not be able to secure the support and traction needed to make the progress or have the impact we are seeking</td>
<td>P. Reynolds</td>
<td>Moderate</td>
<td>Low</td>
<td>• Work to align our communications activity to avoid overburdening our stakeholders or creating engagement fatigue</td>
<td>Medium</td>
<td>No</td>
<td>• Secure internal agreement on scope and resourcing of workstreams and agree the Devolved Nations, aiming to report by end 2018</td>
<td>Low</td>
</tr>
<tr>
<td>OST4 Threat</td>
<td>Due to recent external developments and media coverage of GMC's regulatory decisions such as the GCP's appeal of the Dr Bawa-Garba case, impacting on the reputation of the organisation we may find stakeholders have less confidence in us, and may be less willing to work collaboratively in delivering our key organisational priorities</td>
<td>P. Reynolds</td>
<td>Moderate</td>
<td>Low</td>
<td>• Communications and Engagement Team have developed a handling plan and continuously monitor media coverage and external partner engagement</td>
<td>Low</td>
<td>Yes</td>
<td>• Contribute to Secretary of State’s review of Gross Negligent Manslaughter laws in the UK</td>
<td>Low</td>
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</table>

**Overarching opportunities and risks in delivering the Corporate Strategy**

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<tr>
<td>OST5</td>
<td>Threat</td>
<td>P. Buckley</td>
<td>Quite Likely</td>
<td>Moderate</td>
<td>Significant</td>
<td>• ELS / RLS engagement activities - bringing back insights from the external environment as to where resource pressures exist so that we can consider what (if any) support we can provide, and/or factor this into our planning</td>
<td>No</td>
<td></td>
<td>Medium</td>
</tr>
<tr>
<td>OST6</td>
<td>Threat</td>
<td>P. Reynolds</td>
<td>Quite Likely</td>
<td>Moderate</td>
<td>Significant</td>
<td>• Daily media and social media and political monitoring • Analysis of weekly media issues log • Monthly high profile case reviews • Proactive stakeholder management handling on a case by case basis • Monthly report to CEO on Rule 12, complaints, correspondence from high profile figures or organisations and other high profile issues • Field forces to provide intelligence reports and help us respond on emerging or live issues • SMT standing agenda item on complex and contentious decisions being made • Review and refresh our rapid response process, April</td>
<td></td>
<td></td>
<td>Medium</td>
</tr>
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### STRATEGIC AIM 1 - Supporting doctors in maintaining good practice

#### Risk pre-assessment

<table>
<thead>
<tr>
<th>ID</th>
<th>Thread / Opportunity</th>
<th>Opportunity / risk detail</th>
<th>Owner</th>
<th>Threat mitigation (for threats)</th>
<th>Enhancement (for opportunities)</th>
<th>Risk pre-assessment</th>
<th>Further action required?</th>
</tr>
</thead>
</table>
| T1.1 Threat | Due to inadequate planning and management, the MLA project may not engage the right trainees in £200,000 per post, with a consequent impact on the programme's ability to deliver to the agreed timesheets and budget. | Colin Melville | P. Reynolds | • Governance arrangements in place, a Programme Board chaired by the CEO providing oversight (and reporting to Council via Executive Board).  
• Formal project and project team established, with programme planning and management, and regular reporting via the MLA Programme Board.  
• Resource and budget planned, allocated and regularly reviewed.  
• Consultants reviewed structures, governance and communications for the project (June - September 2016).  
• Consultants produced detailed cost and impact analysis of a range of MLA options (June - October 2016).  
• Expert Reference Group (ERG) appointed, meeting regularly from October 2016 and maternally informing programme development.  
• ERG subgroups for Applied Knowledge Test and Clinical and Professional Skills Assessment established (June 2017), contributing content expertise to programme development. | Process 2018 (June and September 2017) | Yes | Mitigation (for threats) |

#### Further action detailed

- **Council**  
  • Consultation paper - September 2016, paper re-circulated to Council Jan 2017  
  • Update on MLA Consultation (June and September 2017)  
  • Considered consultation report and proposed ways forward at December 2017 meeting  
  • Adopted MLA Programme Board as its task and Finish Group Strategy & Policy Board  
  • Dedicated MLA Communications Manager in role (September 2017); engagement plan in place to liaise with a range of key stakeholders including all UK administrations  
  • Ongoing engagement with key stakeholders to follow up on the consultation  
  - **Internal Audit**  
    • Review of the Medical Licensing Assessment (programme structure, governance and resource planning) (April 2017, amber)  
  - **Further action required?**  
    Yes  
    • Actions being taken forward following the amber rating from the internal audit (April - December 2017)
    • Ongoing engagement with key stakeholders to reflect developing programme planning

- **Further action required?**  
  Yes
  • **Council**  
    • Council discussed consultation outcomes and proposed ways forward, and agreed these for discussion with stakeholders (September 2017).  
    • Regular engagement with the Medical Schools Council, the Medical Schools Council Assessment Alliance, individual medical schools and other stakeholders and partners.  
    • Dedicated MLA Communications Manager in role (September 2017), engagement plan in place to liaise with a range of key stakeholders including all UK administrations.  
    • Formal recommendation for next steps of the MLA were agreed by Council (December 2017)

- **Further action detailed**
  - **Council**  
    • Formal recommendation for next steps of the MLA to be considered by Council (December 2017)

- **Risk appetite**
  - **Low**
  - **Medium**
  - **High**
**STRATEGIC AIM 2 - Strengthening collaboration with our regulatory partners across the health services**

### T2.1 Threat

**T2.1 Threat**

In cases where there are high profile patient safety issues and potentially unsafe environments for doctors and doctors in training, there are challenges in working effectively and collaboratively with other regulatory partners causing an adverse reputational impact for the GMC.

- **Owner**: Susan Goldsmith
- **Likelihood**: Quite Likely
- **Impact**: Major
- **Assessment**: CRITICAL
- **Mitigation (for threats)**:• Information sharing agreement in place with CQC
  • Working closely with the Health and Social Care Regulators Forum to improve collaboration
  • Education enhanced monitoring process in place
  • Internal processes to manage communications
  • We help ensure available and appropriately trained staff through our mandatory training on Information Security/Data Protection and training courses such as Influencing & Stakeholder engagement training

- **Council and/or Board Review Assurance**: Council
  - Acting Chief Executive’s Report (June 2016), North Middlesex Audit and Risk Committee
  - CEO/COO update at each meeting

- **Further Action**: Yes
  - Working towards information sharing agreements in other regulators including devolved nations
  - We are currently undertaking a lessons learned exercise, including whether there are ways to improve our joint working with other regulators
  - Health and Social Care Regulators Forum have agreed actions and work streams to improve collaboration across the system
  - Develop a shared escalation protocol
  - Influence existing structures and fora to support information sharing
  - Agrees a process for defining and communicating risks and responsibilities
  - Improve the use of data and insight – GMC to set up working group and feedback on analysis of current practice
  - Develop a culture of proactively sharing information and briefings

### T2.2 Threat

Because our partners in the system have different standards and approaches, as well as focusing their efforts on maintaining the service which compromises the quality of medical education provided, we may need to adopt a common position which is below the standard we are ideally seeking, with a consequent impact on the level of assurance we are able to provide, and potentially the speed at which we are able to develop and provide collective assurance.

- **Owner**: P. Reynolds
- **Likelihood**: Highly Likely
- **Impact**: Moderate
- **Assessment**: CRITICAL
- **Mitigation (for threats)**:• The MLA will establish a minimum threshold clearly linked to our regulatory function and the need to ensure patient safety: demonstrating that an individual is capable of functioning safely on the first day of clinical practice in the UK. If stakeholders accept that, we will be in a better position to drive consistent future improvement
  • Our quality assurance role involves us ensuring our standards are met. Our review of QA allows us to look at how we hold quality management organisations to account and ensure high standards. This involves looking at how good or notable practice is identified, shared and maintained
  • Regular communications and engagement between GMC senior leadership and the Department of Health and system regulators across the four countries

- **Council and/or Board Review Assurance**: Other
  - CE gave evidence to the Health Select Committee about the impact of Brexit on medical regulation (February 2017)

- **Further Action**: No
  - Working towards information sharing agreements in other regulators including devolved nations
  - We are currently undertaking a lessons learned exercise, including whether there are ways to improve our joint working with other regulators
  - Health and Social Care Regulators Forum have agreed actions and work streams to improve collaboration across the system
  - Develop a shared escalation protocol
  - Influence existing structures and fora to support information sharing
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**STRATEGIC AIM 3 - Strengthening our relationship with the public and the profession**

**OP3.1 Opportunity**
If we clarify how we want to strengthen relationships with members of the public, we will target our efforts appropriately and be able to demonstrate the impact our work is having which will impact on our reputation as an effective and transparent regulator in the eyes of the public and the profession.

We have the opportunity to be a more proactive regulator and demonstrate our understanding of the environment in which the profession is working as well as showing a willingness to speak up about issues facing the profession, allowing us to provide further support to doctors.

- Patient and Public Engagement Plan
- Regional Liaison Service focus on patient groups in 2018
- Annual tracking survey results about impact
- Market research (2016) indicated public support for the principle of the MLA. We could build on this and align MLA communications with wider messaging and further audience research
- Better signposting - we are looking at how to engage with members of the public who want to complain

**OP3.2 Opportunity**

We have the opportunity to be a more proactive regulator and demonstrate our understanding of the environment in which the profession is working as well as showing a willingness to speak up about issues facing the profession, allowing us to provide further support to doctors.

- Being more vocal about the pressures in our narratives to external world
- Holding other stakeholders to account
- Bringing stakeholders together through various forums to deliver their part in addressing system pressures
- Using campaigns to speak up, having evidence based support to speak up

- Market research (2016) indicated public support for the principle of the MLA. We could build on this and align MLA communications with wider messaging and further audience research

Further action required? Yes
T4.1 Threat

**Likelihood:** Quite Likely

**Impact:** Moderate

**Residual Risk:** Low

**Further action detail:** D2.1.1

Because we do not know the outcome of the UK Government’s Brexit negotiations, we may not position ourselves to respond effectively through the transitional period and beyond, particularly if we are expected to make changes within a short period of time, this may have a significant impact on our effective use of resources, in particular our capacity to facilitate the PLAR test and maintain continuity of service if EEA doctors are reclassified as IMG doctors.

- Central BPE Working Group
- EEA engagement with UK Government officials
- Programmes of engagement with EEA doctors and governments throughout 2017 to push for reformation of health professions provisions in the EEA Directive
- UK/European & International teamwork – engagement work and Horizon Scanning
- Preparation for Brexit project
- The HAA is being developed so as to accommodate EEA doctors as IMGs or under RPQ. We have also developed outline plans for ensuring ourselves about new registrants’ professional practice in the UK. Agile positioning and presentation will demonstrate both our recognition of workforce pressures and our commitment to patient safety.
- Reviewing our approach to Specialist/GP registration
- No deal scenario planning (Feb – 16)

**Mandatory check:**

- Project team in place to ensure effective co-ordination of all aspects of our work and performance of our formal response to the report.

T4.2 Threat

**Likelihood:** Quite Likely

**Impact:** Moderate

**Residual Risk:** Low

**Further action detail:** D2.1.1

Following the publication of the hyponatremia inquiry report in Northern Ireland on 31 January 2016, there is a risk that the GMC does not respond fully or appropriately to the relevant recommendations made in the report, which may compromise the integrity of our four country model of regulation.

- Review and Inquiries Group in place to consider GMC response to recommendations
- Initial contact made with Inquiry and Dept of Health to establish working relations for taking recommendations forward
- Head of NI Office nominated as lead point of contact for the Inquiry with the Department of Health
- Focused PIP team working on PIP referrals arising from the report
- External legal counsel to be sought on fdi investigations to provide independent view (in this context that we may be unable to progress many of the cases and this may open us to criticism)

**Mandatory check:**

- Project team in place to ensure effective co-ordination of all aspects of our work and performance of our formal response to the report.

T4.3 Threat

**Likelihood:** Quite Likely

**Impact:** Moderate

**Residual Risk:** Low

**Further action detail:** D2.1.1

The GMC’s regulatory effectiveness, credibility and reputation may wane over time if we don’t keep ahead of widening political agendas in the devolved nations and England and adapt accordingly, as highlighted by the outcome from the EU referendum and national elections.

- Understand and respond to political and health environment - skilled and resourced DO teams
- Consider and manage developments in the external environment with consideration at regular four country strategic risk meeting
- UK Advisory Forums
- UK Regional dinners with key stakeholders
- Full implementation of DO reviews
- Action plan developed to implement outcomes of Council seminar paper “The vote to leave the EU and regulating in a four country and international context” July 2016
- Broad internal working group set up
- KeyRSC support to explore how we improve coherence at a national and regional level within England

**Mandatory check:**

- Governance review will explore continuous improvement exercise in relation to UK advisory forums.

T4.4 Threat

**Likelihood:** Quite Likely

**Impact:** Moderate

**Residual Risk:** Low

**Further action detail:** D2.1.1

If we don’t invest in the resources and capabilities needed to deliver our strategy, including relationships, engagement and data, we risk not being sufficiently resourced to deliver our agenda, with an impact on our ability to understand the views of our partners and the profession across the four countries in our future policy making.

- Strategic Relationships review (England only)
- Increased capacity in RLS – addition of 3 Regional Liaison Advisers
- Transformation Programme will develop our internal capabilities so we can become a more agile regulator
- The HAA Programme is investing in resource intended specifically to work closely with medical schools, as well as with national and UK-wide stakeholders. We’re already recruiting one role and may add others in light of the programme’s development
- Field force activities and communications/engagement planning integrated to avoid any disjoint and ensure consistency in terms of information and messages shared externally

**Mandatory check:**

- Governance review will explore continuous improvement exercise in relation to UK advisory forums.

T4.5 Threat

**Likelihood:** Quite Likely

**Impact:** Major

**Residual Risk:** Low

**Further action detail:** D2.1.1

The GMC’s regulatory effectiveness, credibility and reputation may wane over time if we don’t keep ahead of widening political agendas in the devolved nations and England and adapt accordingly, as highlighted by the outcome from the EU referendum and national elections.

- Understand and respond to political and health environment - skilled and resourced DO teams
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- Broad internal working group set up
- KeyRSC support to explore how we improve coherence at a national and regional level within England

**Mandatory check:**

- Governance review will explore continuous improvement exercise in relation to UK advisory forums.

T4.6 Threat

**Likelihood:** Quite Likely

**Impact:** Moderate

**Residual Risk:** Low

**Further action detail:** D2.1.1

If we don’t invest in the resources and capabilities needed to deliver our strategy, including relationships, engagement and data, we risk not being sufficiently resourced to deliver our agenda, with an impact on our ability to understand the views of our partners and the profession across the four countries in our future policy making.

- Strategic Relationships review (England only)
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- Field force activities and communications/engagement planning integrated to avoid any disjoint and ensure consistency in terms of information and messages shared externally

**Mandatory check:**

- Governance review will explore continuous improvement exercise in relation to UK advisory forums.

T4.7 Threat

**Likelihood:** Quite Likely

**Impact:** Moderate

**Residual Risk:** Low

**Further action detail:** D2.1.1

The GMC’s regulatory effectiveness, credibility and reputation may wane over time if we don’t keep ahead of widening political agendas in the devolved nations and England and adapt accordingly, as highlighted by the outcome from the EU referendum and national elections.

- Understand and respond to political and health environment - skilled and resourced DO teams
- Consider and manage developments in the external environment with consideration at regular four country strategic risk meeting
- UK Advisory Forums
- UK Regional dinners with key stakeholders
- Full implementation of DO reviews
- Action plan developed to implement outcomes of Council seminar paper “The vote to leave the EU and regulating in a four country and international context” July 2016
- Broad internal working group set up
- KeyRSC support to explore how we improve coherence at a national and regional level within England

**Mandatory check:**

- Governance review will explore continuous improvement exercise in relation to UK advisory forums.

T4.8 Threat

**Likelihood:** Quite Likely

**Impact:** Moderate

**Residual Risk:** Low

**Further action detail:** D2.1.1

If we don’t invest in the resources and capabilities needed to deliver our strategy, including relationships, engagement and data, we risk not being sufficiently resourced to deliver our agenda, with an impact on our ability to understand the views of our partners and the profession across the four countries in our future policy making.

- Strategic Relationships review (England only)
- Increased capacity in RLS – addition of 3 Regional Liaison Advisers
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- The HAA Programme is investing in resource intended specifically to work closely with medical schools, as well as with national and UK-wide stakeholders. We’re already recruiting one role and may add others in light of the programme’s development
- Field force activities and communications/engagement planning integrated to avoid any disjoint and ensure consistency in terms of information and messages shared externally

**Mandatory check:**

- Governance review will explore continuous improvement exercise in relation to UK advisory forums.
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<th>Further Action required</th>
<th>Further action detail</th>
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<tr>
<td>AT1</td>
<td>Threat</td>
<td>Due to the need to respond to unplanned events, such as the Secretary of State’s review of the application of Gross Negligent Manslaughter (GNM) and Hyponatraemia final report, we may lack the capacity to progress our aims and benefits as set out in our Corporate Strategy 2018-2020 at the desired pace.</td>
<td>Susan Goldsmith</td>
<td>Highly Likely</td>
<td>Moderate</td>
<td>CRITICAL</td>
<td>Re-prioritisation of non-critical work</td>
<td>Complete mapping of the benefits of the Corporate Strategy against planned work and capabilities needed, in order to inform further prioritisation (April 2018)</td>
<td>Quite Likely</td>
<td>Council and/or Board Review</td>
<td>Assurance</td>
<td>Yes</td>
<td>Further review of resource capacity, in particular within policy teams</td>
<td>Lower</td>
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<tr>
<td>AT2</td>
<td>Threat</td>
<td>The UK and European legislative frameworks in which we operate as well as political agenda and ambitions, restricts our ability to deliver functions to full effect or efficiency and develop as a regulator.</td>
<td>Paul Buckley &amp; Paul Reynolds</td>
<td>Highly Likely</td>
<td>Moderate</td>
<td>CRITICAL</td>
<td>Domestic legislation - active engagement with DH(E) including over the use of s.60 orders to amend the Medical Act</td>
<td>Chief Executive legislation group has been reformed to assist regulators to develop common positions around future shape of regulation</td>
<td>Quite Likely</td>
<td>Council - Members Circular</td>
<td>Update on Law Commission Bill (March; April; June; July 2016)</td>
<td>Update post-election on impact of new government formation on GMC work (June 2017)</td>
<td>Update on prospects of legislative reform (June 2017)</td>
<td>Lower</td>
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<td>Assurance</td>
<td>Further Action required?</td>
<td>Further action detail</td>
<td>Risk appetite</td>
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<td>AT3</td>
<td>Threat</td>
<td>Brexit: The impact of changes resulting from the European referendum are not yet clear, providing uncertainty as to the future implications of the GMC's work</td>
<td>Paul Buckley</td>
<td>Quite Likely</td>
<td>Major</td>
<td>CRITICAL</td>
<td>Establishment of cross-Directorate Brexit working group led by the UK, European and International Affairs team to scope challenges and opportunities for the GMC to define legislative priorities; and to review the potential impact on the legislation affecting our work (monthly meetings)</td>
<td>Council • Short discussion at Council on 29 September • Council sessions planned in Q1 2017 and Q2/3 • Ongoing engagement with Governments and key stakeholders • Active engagement with key influencers to influence post Brexit proposals for healthcare regulation and accountability • Programmes of active engagement and influence with the HSC through 2017, including response to inquiry on impact of Brexit on the health sector • Liaison with UK and European regulators to ensure influence and leadership of key networks is maintained • Publication of analyses of licensed doctors with an EEA PMQ and of doctors with EEA nationality • Design and implementation of engagement campaign to try to ensure that post Brexit legal framework does not prohibit application of MLA to EEA doctors or impede reforms under flexibility review</td>
<td>Yes</td>
<td>Medium</td>
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- In June 2017, the UK Government published its policy paper on the status of European Economic Area (EEA) nationals after the UK’s withdrawal from the European Union (EU).
- We continue to make the case for reform to the RCPQ framework to enable us to check the competency of EEA doctors and to ensure a single route to the medical register for all doctors, regardless of where they qualified, in the future.
- The UK Department of Health is currently exploring what amendments would be needed to the Medical Act to meet the requirements of new EU law.
- In Northern Ireland we are working on a project to identify the range of regulatory issues that need to be considered further as the Executive’s policy to increase the cross border delivery of healthcare is implemented.
- Charlie Massey wrote to Jeremy Hunt on 20 March we sent a joint letter with GOpC and NMC to Gavin Lammer, Director of Workforce at Department of Health on 19 March, both in relation to planning for Brexit.
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<tr>
<td>AT4 Threat</td>
<td>Residual risk with current controls in place</td>
<td>Neil Roberts</td>
<td>Quasi-Likely</td>
<td>Risk Mitigation</td>
<td>CORPOperative</td>
<td>Council</td>
<td>○ Council receive an annual HR report</td>
<td>Yes</td>
<td>Transformation Portfolio set up June 2017 to oversee delivery of enhancing our organisational capabilities: Programmes of work are designed around embedding a clearer sense of purpose and impact; empowering and developing our people; injecting more pace, agility and cross-organisational working; and enhancing our engagement with the healthcare system</td>
<td>Low</td>
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<td>AT5 Threat</td>
<td>Residual risk with current controls in place</td>
<td>Paul Buckley</td>
<td>Quasi-Likely</td>
<td>Risk Mitigation</td>
<td>CORPOperative</td>
<td>Executive Board</td>
<td>○ Paper on data governance including UKMD development</td>
<td>Yes</td>
<td>Intelligence Forum Manager and Stakeholder Intelligence Sharing Manager now in post</td>
<td>Medium</td>
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**ACTIVE OPERATIONAL RISKS**

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<tr>
<td>AT4 Threat</td>
<td>Difficulties in the recruitment and retention of staff and associates with the required skills and experience may challenge our ability to deliver our functions effectively</td>
<td>Gaz Winter</td>
<td>Low</td>
<td>Risk Mitigation</td>
<td>CORPOperative</td>
<td>Council</td>
<td>○ Evening seminar - Risk Based regulation (December 2016 and Feb 2017), ○ Localisation of the online medical register (December 2015 and Feb 2017), ○ Developing the online medical register (December 2016 and Feb 2017), ○ Paper on data governance including UKMD development</td>
<td>Yes</td>
<td>Scoping of research opportunities with Roger Kline in relation to key requirements for further insight in relation to representation patterns</td>
<td>Low</td>
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<td>AT5 Threat</td>
<td>By not effectively sharing the information we hold throughout the organisation or broader health service, we could contribute to a risk to patient safety</td>
<td>Suzan Goldsmith</td>
<td>Low</td>
<td>Risk Mitigation</td>
<td>CORPOperative</td>
<td>Council</td>
<td>○ Paper on data governance including UKMD development</td>
<td>Yes</td>
<td>Scoping of research opportunities with Roger Kline in relation to key requirements for further insight in relation to representation patterns</td>
<td>Low</td>
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**Legend:**
- **Likelihood:** Quasi-Likely, Low, Moderate, High, Quite Likely
- **Impact:** Low, Medium, High, Quite Likely
- **Mitigation (for threats):** Risk Mitigation
- **Assurance:** Council, Executive Board, Assurance
- **Further Action required:** Yes
- **Further action detail:** Transformation Portfolio set up June 2017 to oversee delivery of enhancing our organisational capabilities: Programmes of work are designed around embedding a clearer sense of purpose and impact; empowering and developing our people; injecting more pace, agility and cross-organisational working; and enhancing our engagement with the healthcare system.

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**Additional Notes:**
- **Data Strategy:**○ Risk-based planning - quarterly Programme Board
- **Quality Architecture Project Group:**○ Data Strategy - quarterly Programme Board
- **Patient Safety Intelligence Forum:**○ Data Strategy Programme (Feb 2015, green)
- **Quality Improvement (QI):**○ Data Strategy Programme (April 2017, green)
- **Internal Audit:**○ Review of Evaluation (August 2016, green-amber)
- **Stewardship and Safeguarding:**○ Data Strategy Programme (Nov 2015, green)
- **Other assurance:**○ Evaluation of data sharing agreements completed by CAT (April 2017)

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**Risk Pre-controls:**
- **Talent and leadership programmes build capacity**
- **Corporate record keeping systems and requirements enable central record for corporate memory**
- **Directors and AEs identify unique knowledge, skills and relationships to ensure suitable mechanisms in place to record/transfer**
- **Annual performance management cycle and learning and development function identify staff training needs and priorities and support staff development as required**
- **Working with our advertising company, LinkedIn and outreach activities to target our marketing activity helping to increase our external profile as an employer of choice**
- **Working with our TCF partners to source candidates and tem ps to ensure core functions are supported**
- **Data Strategy**
- **Quality Architecture Project Group**
- **Quarterly surveillance groups consider role with Care Quality Commission (CQC)**
- **Regular (8-weekly) intelligence sharing meetings in place (Regional Information Forums)**
- **MID: Healthcare Inspectorate Wales, TDA and RGSA, Health Improvement Scotland**
- **CQ protocol for escalation processes - JSS meeting brings together CO, RLS, RSL & Education to share information**
- **Existing employer contributes to protect patient safety**
- **Systems regulation, professional regulators, professional bodies, education institutions actively over seeing patient safety**
- **Revision of escalation process and RLS operating model (June 2016)**
- **Central Analytics Team now in place with responsibility for co-ordinating data sharing**
- **Evaluation of data sharing agreements completed by CFT (April 2017)**
- **Engaging with CO/HENDM Oversight Group**
- **Working closely with the Health and Social Care Regulations Forum to improve collaboration**
- **Work on escalation criteria**
- **Developing Data Strategy - quarterly Programme Board**
- **Equality & Diversity Strategy for 2018-20 finalised and approved by council in Nov 2017.**
- **Pending Development of full implementation plan and communications plan**
- **E&D related activities in directorate business plans and further work underway to complete full benefits mapping to inform 2019/2020 plans**
- **Skilled and fully resourced team to promote E&D in our work**
- **Equality analysis undertaken as a component of all major project and policy activity**
- **Equality, Diversity training for all staff and associates and further work to develop this to incorporate inclusion**
- **Inclusive leadership reflected in management and leadership development programmes**
- **E&D Steering Group (chaired by COO) and E & D Champions supported in relevant BAU work streams and projects by the E & D Team**
- **Unconcious Bias training delivered to key staff and associates involved in making decisions about doctors (now BAU)**
- **We took legal advice on our compliance with Sections 15 and 22 of the Gender Recognition Act (GRA) 2004 in how we handle and share information about transgender patients in our PPF activities - RPS & CO have agreed an action plan**
- **Work on reasonable adjustments and supporting disabled people in place and wide-ranging work plan (health and disability work programme) in Education. On-going, new guide will be going to the Council ahead of a public consultation in April. Also key activities in QICC and PPF including developing a more robust approach to capturing and using information from patients and doctors about the reasonable adjustments they need, and developing working guidance and support around use of advocacy and respecting for those groups of patients who may find it particularly difficult to engage with the QICP e.g. cognitive impairments, limited mental capacity etc.**
- **Joint A&FRC working group to develop guidance on making reasonable adjustments in high stakes exams**
- **Scrutiny of Curriculum Advisory Group (CAG) submissions for their E&D evidence now embedded as E&F activity**
- **Developed and launched in Nov 2017 supplementary E&D guidance for promoting excellence owned by QA in Education.**

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**Residual risk with current controls in place:**
- **AT4 Threat**
- **AT5 Threat**
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<td>AT7</td>
<td>Threat</td>
<td>Further historical abuse cases involving doctors come to light which call in to question the GMC’s actions at the time and impact on our reputation as a patient safety organisation</td>
<td>Paul Buckley</td>
<td>High / Likely</td>
<td>Moderate</td>
<td>CRITICAL</td>
<td>• Regular media monitoring of historic abuse cases</td>
<td>• Internal Historic Abuse Inquiries Project Group to monitor and manage interactions with all inquiries and take forward internal review of historic abuse cases</td>
<td>• Scanning of bound volumes of historic fitness to practise cases dating back to 1945 is complete</td>
<td>• We shared the outcomes of Sir Anthony Hooper’s Review of Dr Fraser case with the Historical Abuse Inquiry in England</td>
<td>• Anthony Omo attended Historic Abuse Inquiry (England) seminar in September 2017, as part of a series of seminars to gather information and views, and to identify matters for further investigation and scrutiny. There was no criticism of the GMC during the seminars and our guidance, webpages and tools were commended</td>
<td>• The review will be overseen by the Historical Abuse Inquiries Project Group, and findings will be reported to Council in due course</td>
<td>Unlikely</td>
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- We completed our analysis of GMC cases for the wider review in January 2018 and will report to Council and Audit and Risk Committee in Spring 2018

Low
## ACTIVE OPERATIONAL RISKS

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<td>AT8</td>
<td>Threat</td>
<td>Due to the proposals for structural changes and staff reductions at Health Education England, there is a risk that their ability to provide us with the data and support that we need for quality management, clarity around their roles and responsibilities and capacity to respond to problems locally and engage in support of this GRC training surveys may be impaired</td>
<td>Colin Malville</td>
<td>Quite Likely</td>
<td>Moderate</td>
<td>No</td>
<td>System risk reduction</td>
<td>No</td>
</tr>
<tr>
<td>AT9</td>
<td>Threat</td>
<td>Due to lack of legal clarity on requirements for implementation of the General Data Protection Regulation (EU) 2016/679, we may not be adequately prepared for when the regulation comes into force on 25 May 2018 and thereby be in breach of the regulation with potential for financial and reputational impact</td>
<td>Neil Roberts</td>
<td>Quite Likely</td>
<td>Moderate</td>
<td>Yes</td>
<td>Cross-directorate programme board established to prepare for and implement the new legal duties</td>
<td>No</td>
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<tr>
<td>AT10</td>
<td>Threat</td>
<td>Due to the increasing demand for education policy input and expertise to corporate activities, there is a risk that the Education and Standards Directorate will not have sufficient resource capacity to deliver on its commitment to our 2018 strategic priorities, whilst maintaining a high standard delivery of business as usual</td>
<td>Colin Malville</td>
<td>Quite Likely</td>
<td>Moderate</td>
<td>No</td>
<td>Programme risk register established which is reviewed monthly at the Programme Board</td>
<td>No</td>
</tr>
<tr>
<td>AT11</td>
<td>Threat</td>
<td>There is a risk that lack of clarity on key engagement points across the business for the short to medium term may prevent communications teams from developing a co-ordinated, deliverable and effective engagement plan. This could lead to significant stakeholder fatigue and/or conflicting messages. Ineffective planning by individual teams could also impact on other parts of the business who are providing support, or where there are critical project dependencies</td>
<td>Paul Raynolds</td>
<td>Quite Likely</td>
<td>Moderate</td>
<td>No</td>
<td>Cross-directorate programme board activities to focus on the key engagement points</td>
<td>No</td>
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</table>

### Enhanced Risk Actions

- **AT8**: Discussion of risks and improvements in meetings with HEE at strategic and operational levels
- **AT9**: Ongoing continuous improvement work to reduce the monitoring burden on HEE
- **AT10**: Cross-directorate programme board established to prepare for and implement the new legal duties
- **AT11**: Cross-directorate programme board activities to focus on the key engagement points

### Further Action

- **AT8**: Ongoing continuous improvement work to reduce the monitoring burden on HEE
- **AT9**: Cross-directorate programme board established to prepare for and implement the new legal duties
- **AT10**: Programme risk register established which is reviewed monthly at the Programme Board
- **AT11**: Cross-directorate programme board activities to focus on the key engagement points

### Risk Appetite

- **AT8**: Unlikely
- **AT9**: Quite Likely
- **AT10**: Quite Likely
- **AT11**: Quite Likely
<table>
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<tr>
<th>ID</th>
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<tr>
<td>AT12</td>
<td>Threat</td>
<td>Colin Melville</td>
<td>Quite Likely</td>
<td>Minor</td>
<td>Minor</td>
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<td>AT13</td>
<td>Threat</td>
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<td>Quite Likely</td>
<td>Minor</td>
<td>Minor</td>
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<td>AT14</td>
<td>Threat</td>
<td>Susan Goldsmith</td>
<td>Quite Likely</td>
<td>Minor</td>
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<td>Capacity</td>
<td>Neil Roberts</td>
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| T1 | Threat               | Application of key controls and processes lead us to reach the wrong conclusion in investigating a doctor's fitness to practise with an impact on patient safety, registrants, witnesses and/or the reputation of the GMC | Anthony Omo | Quite Likely | Major | • Documented process and procedures:  
  - Regular performance monitoring and reporting  
  - Trained and available staff  
  - Local clinical governance systems identify and address performance concerns  
  - Support and guidance for Reliable Officers making recommendations through the Employer Liaison Service  
  - Work ongoing as part of the Taking Revalidation Forward programme to refine the protocol for those making RO recommendations, making our advice clear | No | No | No | Medium |
| T2 | Threat               | We register an individual who is not properly qualified and/or fit to practise with an impact on patient safety and our reputation | Una Lane | Unlikely | Low | • Documented process and procedures:  
  - UK graduates  
  - IMG  
  - Specialist and GP information  
  - Identify and document checks face to face and physical document checks  
  - Post-registration primary source verification conducted on a risk based sample of newly registered doctors  
  - Revised Decision maker's guidance (launched 2016)  
  - Revised guidance on breaks in practice (launched April 2018)  
  - Regular performance monitoring and reporting  
  - Trained and available staff  
  - Information exchange with competent authorities informs our processes (including Internal Market Information alert mechanism)  
  • Daily downloads of the register are sent to primary and secondary healthcare organisations  
  • Use of Royal colleges for clinical input into CESR and CEGPR applications | No | No | No | Low |
| T3 | Threat               | We revalidate an individual who is not fit to practise with an impact on patient safety and our reputation | Una Lane | Moderate | Moderate | • Documented process and procedures:  
  - Activity volumes and service target performance reviewed each meeting  
  - Changes to our guidance for decision makers at the end of the investigation stage (September 2017)  
  - Identification and prioritisation of SCCs (Single Concerns)  
  • Notify Employer/Notify RO in place for less serious concerns, supporting local first initiative | No | No | No | Low |
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<th>Further action detail</th>
<th>Risk appetite</th>
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<td>214</td>
<td>Threat</td>
<td>Our quality assurance processes do not support compliance with standards for education, training and curricula with a potential impact on patients and below expectation educational outcomes for doctors</td>
<td>Colin Melville</td>
<td>Quite Likely</td>
<td>2020-2021</td>
<td>Moderate</td>
<td>Council</td>
<td>Operational Key Performance Indicators (KPIs) reported each meeting</td>
<td>Strategic &amp; Policy Board</td>
<td>No</td>
<td>Internal Audit - Enhanced Monitoring Audit (November 2016, amber-red)</td>
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<tr>
<td>216</td>
<td>Threat</td>
<td>Patient safety is impacted and/or reputational damage is caused by not providing an effective and timely adjudication process</td>
<td>Gavin Brown</td>
<td>Quite Likely</td>
<td>2016-2017</td>
<td>Moderate</td>
<td>Council</td>
<td>Czech adjudication report to Council (6 monthly)</td>
<td>Strategic &amp; Policy Board</td>
<td>No</td>
<td>Internal Audit - MPTS formal report to Council (6 monthly)</td>
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<tr>
<td>217</td>
<td>Threat</td>
<td>Doctors under conditions or undertakings do not comply with their sanctions and patients are harmed as a consequence</td>
<td>Anthony Osen</td>
<td>Low</td>
<td>2017</td>
<td>Low</td>
<td>Council</td>
<td>Executive Board</td>
<td>Publication and disclosure of immediate/interim orders and warnings (June 2017)</td>
<td>Strategic &amp; Policy Board</td>
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### IINHERENT OPERATIONAL RISKS

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<td>Moderate</td>
<td>Council</td>
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<td>Internal Audit - Enhanced Monitoring Audit (November 2016, amber-red)</td>
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<td>216</td>
<td>Quite Likely</td>
<td>2016-2017</td>
<td>Moderate</td>
<td>Council</td>
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<tr>
<td>217</td>
<td>Low</td>
<td>2017</td>
<td>Low</td>
<td>Council</td>
<td>Executive Board</td>
<td>Strategic &amp; Policy Board</td>
<td>No</td>
<td>Internal Audit - Monitoring sanctions (September 2015, green-amber)</td>
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<td>Threat / opportunity</td>
<td>Risk detail</td>
<td>Owner</td>
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<td>Residual risk with control in place</td>
<td>Council and/or Board Review</td>
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<td>IT8 Threat</td>
<td>Our response to emerging risks is unlikely or inappropriate creating a perception of ineffective performance</td>
<td>Paul Buckley</td>
<td>Highly Likely</td>
<td>Moderate</td>
<td>Minor</td>
<td>Control in place</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>IT9 Threat</td>
<td>The flow of information between the GMC and other bodies who contribute to our overall impact in protecting patient safety is limited and harm is consequently caused to patients</td>
<td>Paul Buckley</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>Control in place</td>
<td>No</td>
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<tr>
<td>IT10 Threat</td>
<td>Breach of the Data Protection Act (DPA) and/or Human Rights Act (HRA) may result in financial loss and/or reputational damage</td>
<td>Neil Roberts</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>Control in place</td>
<td>No</td>
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</table>

### INHERENT OPERATIONAL RISKS

- **Risk pre-controls**
  - Understand and respond to political and health environment - skilled and resourced team ensure and manage developments in the external environment including: Regulation Policy (Horizon Scanning, Inquiries & Reviews); Media and Campaigns; UK, European and International Affairs Team; Devolved Office (OO) and Intelligence (UK); Council, GMC, RG, Regional Liaison Service (RLS), Patient Safety Intelligence Forum (PSIF), and Advisory Forums provide insight across all UK countries and inform our各项工作 programmes.
  - Performance monitoring and reporting.
  - Risk management framework - escalations.
  - Research agenda.
  - Quarterly WCAG Advisory Forum (UKAF) meetings in the devolved countries.
  - Joint Working Information Group (JWIG), meeting of GMC colleagues who provide services within a geographical area across four countries.
  - New Strategy function created within Strategy & Policy Directorate.
  - Quarterly horizon scanning updates provided to the Executive Board.

- **Residual risk with controls in place**
  - GPC processes and systems have other relevant checks/controls.
  - Individual process control exist around major interfaces.
  - Systems regulation: Care Quality Commission (CQC); Healthcare Inspectorate Wales; Healthcare Improvement Scotland; Regulation & Quality Improvement;
  - Systems: Systems regulators: Care Quality Commission (CQC); Healthcare Inspectorate Wales; Healthcare Improvement Scotland; Regulation & Quality Improvement;
  - Systems: Council, Corporate Strategy discussed at Council Seminar (Sept 2017) and Council meeting for performance and risk report (alternate meetings).
  - Systems: Weekly review in Directors meeting.
  - Systems: Emerging risks in this environment considered through the Operational Performance and Risk Review report.
  - Systems: Corporate Strategy discussed at Council Seminar (Sept 2017) and Council meeting for performance and risk report.
  - Systems: Operational Risk Management (June 2018, green).

- **Mitigation (for threats)**
  - Chief Executive report to each meeting covers the external environment & strategic engagements.
  - Council Performance and Resource Board.
  - Emerging risks in this environment considered through the Operational Performance and Risk Review report (alternate meetings).
  - Weekly review in Directors meeting.

- **Internal Audit**
  - **Risk maturity benchmarking**
    - Effectiveness (January 2016, green).
  - **Operational Risk Management**
    - (June 2015, green-amber).

- **Other Assurance**
  - **Professional Standards Authority (PSA) Performance Review 2016/17 Standards of good regulation met**

- **Important Considerations**
  - Recruitment for new roles within Strategy team now live.

- **Considered actions**
  - Discussion of key issues from corporate engagements.
  - Chief Exec report to each meeting covers the external environment & strategic engagements.
  - Discussion of key issues from corporate engagements.

- **External Audit**
  - **Information security audit**
    - Management and check (May 2018, green).
    - Independent cyber security audit (August 2017, no critical findings).
    - ISO27001 and BS10008 Review (September 2016, green).
    - Penetration testing (August 2016, green).

- **Other Assurance**
  - **Certified to ISO27001, 5G Toolkit and the Payment Card Industry information security standard standard (August 2016).**
  - **ISO27001 and BS10008 Review (September 2016, green).**
  - **Penetration testing (August 2016, green).**

- **Other Assurance**
  - **Certified to ISO27001 and BS10008**
    - ISO27001 audit (Sep 2018).
    - BS10008 audit (Sep 2018).
    - Cyber security audit (Sep 2018).
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<td>IT11 Threat</td>
<td>Continued stretched resources and pressures in the health environment create the potential for increased patient safety incidents which could adversely impact the GMC’s role as the regulator upholding professional standards for doctors and trainees and create operational pressures on fitness to practise referrals and education monitoring services</td>
<td>Susan Goldsmith</td>
<td>Moderate</td>
<td>Low</td>
<td>Moderate</td>
<td>No</td>
<td>Multi-disciplinary steering group</td>
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<tr>
<td>IT12 Threat</td>
<td>Low awareness of our role and how we conduct our business leads to media coverage which damages our reputation</td>
<td>Paul Reynolds</td>
<td>Low</td>
<td>Moderate</td>
<td>Moderate</td>
<td>No</td>
<td>Skilled and resourceful media team to handle media enquiries</td>
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<tr>
<td>IT13 Threat</td>
<td>Our governance arrangements may not enable the Trust to discharge their accountability effectively</td>
<td>Lindsey Nation</td>
<td>Moderate</td>
<td>Low</td>
<td>Low</td>
<td>No</td>
<td>Governance arrangements in place including Council, executive and external engagement and in relation to GMC Services International Ltd</td>
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<tr>
<td>IT14 Threat</td>
<td>Our anti-fraud procedures and process may not prevent internal or external parties from committing fraud against the GMC resulting in monetary loss</td>
<td>Neil Roberts</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
<td>No</td>
<td>Business planning &amp; budget setting process to ensure funds are allocated appropriately</td>
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<td>IT15</td>
<td>Threat</td>
<td>The volume and complexity of the programme of work we seek to undertake exceeds our capacity to successfully deliver</td>
<td>Charlie Haney / Susan Goldsmith</td>
<td>Vice-Chair / Interim CEO</td>
<td>Quite Likely</td>
<td>Major</td>
<td>LOW</td>
<td>CRITICAL</td>
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**Mitigation (for threats)**

- Business planning & budget setting process
- Risk Management (including risk escalation matrix incorporating SLA variation triggers)
- Monthly monitoring of delivery progress and reporting
- Centralised Corporate Business Planning team embed processes and systems across Directorates
- Trained and skilled staff in project management
- PMExit methodology and reporting: update on risks and project delivery every month via highlight reports with daily availability of progress for all including Portfolio Lead, Sponsor, Project Manager, PMO and COO
- Corporate Business Planning Manager stage gate reviews for corporate projects

- Business continuity plans in place including periodic testing - focused on core business as usual areas to ensure patient safety protection
- Alternative routing procedures and systems in place to manage faults when they arise
- Investment programme in resilience components to proactively avoid faults
- Cyber security plan
- Regular programme of penetration testing
- Regular programme of installing software patches to address identified vulnerabilities
- Suite of security products in place including areas such as identification, web filtering, email filtering, Brennus
- Testing of process recovery

- Information security processes protect against IS failures

- Business Continuity mandatory training launched (May 17)
- Business Continuity Champions appointed for each directorate across GMC sites
- We have taken a number of actions in relation to strengthening our security arrangements including deploying the latest Microsoft and Oracle Patches to our systems and implementing the next generation Palo Alto Firewalls to our perimeters. We have also implemented a new back-up area to ensure patient safety protection and phishing simulation exercises are being carried out regularly to raise staff awareness

- Programme Management Office (PMO) spot check follow up (August 2017, amber)
- 2017 Business Plan & Delivery (Dec 2016)
- Programme Management Office spot check (March 2018, amber)
- Programme Management Office spot check (May 2016, green-amber)
- Change Programme planning (March 2018, green-amber)

- Project / Operational risk management (June 2017, green-amber)
  - Business Continuity Working Group - (2 monthly)
  - Business Continuity Working Group Meeting Update to Executive Board for review
  - Business Continuity Working Group (June 2016, green-amber)
  - Business Continuity Working Group (May 2016, green-amber)
  - Business Continuity Working Group (June 2017, green-amber)
  - Business Continuity Working Group (May 2016, green-amber)
  - Business Continuity Working Group (June 2017, green-amber)

- Governance arrangements April 2017

- Change Programme Risk Management (June 2016, green-amber)

- Programme Management Office spot check (November 2016, green-amber)

- Governance arrangements April 2017

- Change Programme Risk Management (June 2016, green-amber)

- Programme Management Office spot check (November 2016, green-amber)

- Change Programme planning (March 2018, green-amber)

- Programme Management Office spot check (May 2016, green-amber)

- Change Programme planning (March 2018, green-amber)

- Programme Management Office spot check (November 2016, green-amber)

- Change Programme planning (March 2018, green-amber)

- Programme Management Office spot check (May 2016, green-amber)

- Change Programme planning (March 2018, green-amber)

- Programme Management Office spot check (November 2016, green-amber)

- Change Programme planning (March 2018, green-amber)

- Programme Management Office spot check (May 2016, green-amber)

- Change Programme planning (March 2018, green-amber)

- Programme Management Office spot check (November 2016, green-amber)

- Change Programme planning (March 2018, green-amber)

- Programme Management Office spot check (May 2016, green-amber)

- Change Programme planning (March 2018, green-amber)

- Programme Management Office spot check (November 2016, green-amber)

- Change Programme planning (March 2018, green-amber)

- Programme Management Office spot check (May 2016, green-amber)

- Change Programme planning (March 2018, green-amber)

- Programme Management Office spot check (November 2016, green-amber)

- Change Programme planning (March 2018, green-amber)

- Programme Management Office spot check (May 2016, green-amber)

- Change Programme planning (March 2018, green-amber)
Agenda item: M5
Report title: Report of the Medical Practitioners Tribunal Service Committee
Report by: Dame Caroline Swift, Chair of the MPTS, dame.caroline.swift@mpts-uk.org, 0161 240 7115
Considered by: MPTS Committee
GMC/MPTS Liaison Group
Action: To consider

Executive summary
This report gives an update on the work of the Medical Practitioners Tribunal Service since the last report to Council in December 2017. Key points to note:

- Joy Hamilton has been appointed as a lay member of the MPTS Committee.
- We continue to prioritise work to reduce the number of cases that adjourn part-heard:
  - In all types of Medical Practitioners Tribunal hearings, parties are now required to submit bundles 14 days in advance, removing the need for tribunal reading time on the opening day.
  - Legally qualified chairs are now appointed to most tribunals.
- The MPTS budget for 2018 has been confirmed as £8.5m, reduced from £9.4m in 2017.
- The final draft of the MPTS’s annual report to Parliament is at Annex A for Council’s information. A designed version of the report is being prepared.

Recommendations
Council is asked to:

a Consider the report to the Medical Practitioners Tribunal Service Committee.
b Note the MPTS annual report to Parliament at Annex B.
Committee update

1. This paper is the Medical Practitioners Tribunal Service (MPTS) Committee’s first biannual report of 2018.

2. Joy Hamilton was appointed as a lay member of the MPTS Committee in January 2018, having been a MPTS tribunal member since 2012 and a chair since 2013. Outside of the MPTS, she has been a magistrate since 1996 and is currently chairman of north east region Magistrates Leadership Executive, and deputy chair of the National Magistrates Leadership Executive.

3. The MPTS Committee met on 7 February 2018, when it considered updates on the Quality Assurance Group, appeals, cyber security and the Committee’s work programme for 2018.

4. The Committee also met on 2 May 2018 and considered updates on MPTS business continuity plans and the General Data Protection Regulation (GDPR).

5. We continue to monitor all adjournments in our Adjournments Working Group, and prioritise work to reduce the number of cases that adjourn part-heard.

6. Apart from the clear cost savings, reducing the number of adjournments is important to reduce the stressful impact hearings can have on doctors and witnesses.

7. Since 12 March 2018, parties in all types of Medical Practitioners Tribunal hearings have been required to submit a hearing bundle in advance, no later than 14 days ahead of the hearing. In exceptional circumstances, a Case Manager can order otherwise.

8. Documents are shared securely with tribunal members, via the ‘Connect’ system.

9. The use of Legally Qualified Chairs (LQCs) in MPTS hearings was piloted in early 2016 and since late summer 2017 most tribunals have included a LQC.

10. Previously, all tribunals were assisted by a Legal Assessor, who are now only appointed in exceptional circumstances.

11. In 2017, new hearings that concluded used 15% less time than expected and more than 100 hearing days were ‘saved’. This represented a saving of £1 million.
Council meeting, 6 June 2018

Agenda item M5 – Report of the MPTS Committee

Resources

12 Council confirmed the MPTS budget as £8.5m for 2018, a reduction from £9.4m in 2017 and £10.6m in 2016.

13 The MPTS budget is set based on forecasts of the number of cases likely to be referred by the GMC. Any significant change in the number of cases referred will have a corresponding impact on MPTS spending.

Hearing outcomes

14 Hearing outcomes for the previous three years and the first quarter of 2018 are provided at Annex A.

15 In the period January to March 2018 64 doctors appeared at new medical practitioners tribunal hearings. 28% of those doctors had their name erased from the medical register, 42% were suspended and 13% given conditions. 13% were found not impaired and a further 2% found not impaired but issued with a warning. In one hearing (2%), the tribunal decided no action was necessary after a finding of impairment.

16 These figures are broadly consistent with outcomes in previous calendar years. For example, in 2017, 195 doctors appeared at new medical practitioners tribunal hearings. 32% of those doctors had their name erased from the medical register, 39% were suspended and 7% given conditions. 14% were found not impaired and a further 7% found not impaired but issued a warning. In the remainder of hearings (just under 2%), the tribunal granted an application for voluntary erasure, or decided no action was necessary after a finding of impairment.

17 In previous reports we have commented on the clear reduction in the number of doctors referred to the MPTS for an interim orders tribunal hearing in comparison to previous years. From January to March 2018, 95 doctors have appeared at new IOT hearings a slightly higher number than in the same three month period in previous years. This compares with 350 in the whole of 2017, 339 in the whole of 2016 and 522 in the whole of 2015.

18 Five new non-compliance hearings have been held in January to March 2018, with a suspension imposed in four cases and non-compliance not found in one case. This is still a relatively new type of hearing, as the GMC gained powers to bring such cases in December 2015.

19 Only two restoration hearings have been held in January to March 2018, with the doctor’s application being refused in both cases. 21 hearings took place in 2017, a slightly higher number than in previous years.
**Council meeting, 6 June 2018**

**Agenda item M5 – Report of the MPTS Committee**

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**Tribunal member diversity**

20 As of April 2018, the MPTS has 306 tribunal members (including 69 legally qualified chairs) of whom 46% are female and 19% identify as BME.

21 This compares favourably with the most recently published figures for courts in England and Wales (28% female and 7% BME) and tribunals in England and Wales (46% female and 14% BME). (Source: [www.judiciary.gov.uk/publications/judicial-statistics-2017](http://www.judiciary.gov.uk/publications/judicial-statistics-2017))

22 It also compares well with the UK population (51% female and 13% BME). (Source: [www.ons.gov.uk/census/2011census](http://www.ons.gov.uk/census/2011census))

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**Quality assurance**

23 The MPTS Quality Assurance Group (QAG) meets monthly to review a proportion of written tribunal determinations. The purpose of these reviews is to make sure the determinations are clear, well-reasoned and compliant with the relevant case law and guidance.

24 QAG also identified issues which could usefully be incorporated into future tribunal training sessions, and learning points which are sent out in tribunal circulars.

25 In 2018 we have issued learning points on various topics, including:

   c Giving clear reasons for deciding if a doctor’s fitness to practice is impaired by reason of misconduct, and setting out if the misconduct found was serious.

   d The introduction of the Occupational English Test (OET) as an additional test that can be routinely and automatically accepted by the GMC.

   e Changes to the Publication and Disclosure policy.

26 All learning points issued to tribunal members can be viewed at [www.mpts-uk.org/learning_points](http://www.mpts-uk.org/learning_points).

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**Supporting doctors**

27 Our Doctor Contact Service is available to all doctors on the day of a hearing, and is particularly aimed at those attending alone or without legal representation. A member of our staff unconnected to the doctor’s case can be available to talk at any time.

28 The aim of this service is to help lessen the isolation and stress doctors might encounter.

29 To expand this service, including by offering greater support at the pre-hearing stage, we have appointed two members of staff to spend 50% of their time working on the Doctor Contact Service.

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[www.mpts-uk.org](http://www.mpts-uk.org)
**MPTS annual report to Parliament**

30 The MPTS is required by statute to submit an annual report to Parliament. This includes information on the nature and volume of cases referred to the MPTS, on the exercise of MPTS functions including a description of the arrangements that the MPTS has put in place to ensure that it adheres to good practice in relation to equality and diversity, and on learning points identified and actions taken to address these.

31 The text of the final draft report is at Annex B for Council’s information. The report will be laid before Parliament in summer 2018.
M5 - Report of the Medical Practitioners Tribunal Service Committee

M5 - Annex A

Hearing outcomes - 2015 - March 2018

Medical practitioners tribunals

<table>
<thead>
<tr>
<th>New MPT hearing outcomes</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impaired: Erasure</td>
<td>72</td>
<td>70</td>
<td>62</td>
<td>18</td>
</tr>
<tr>
<td>Impaired: Suspension</td>
<td>94</td>
<td>93</td>
<td>76</td>
<td>27</td>
</tr>
<tr>
<td>Impaired: Conditions</td>
<td>24</td>
<td>17</td>
<td>13</td>
<td>8</td>
</tr>
<tr>
<td>Impaired: No action</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Not impaired: warning</td>
<td>6</td>
<td>11</td>
<td>13</td>
<td>1</td>
</tr>
<tr>
<td>Not impaired</td>
<td>38</td>
<td>34</td>
<td>27</td>
<td>8</td>
</tr>
<tr>
<td>Voluntary erasure</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Undertakings</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>238</strong></td>
<td><strong>229</strong></td>
<td><strong>195</strong></td>
<td><strong>64</strong></td>
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## Non-compliance hearing outcomes

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suspension</td>
<td></td>
<td>2</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>Conditions</td>
<td>-</td>
<td>5</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Non-compliance not found</td>
<td>-</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>7</td>
<td>9</td>
<td>5</td>
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## Outcomes in restoration hearings

<table>
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<tr>
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<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Q1 2018</th>
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<tr>
<td>Application granted</td>
<td>3</td>
<td>6</td>
<td>8</td>
<td>0</td>
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<tr>
<td>Application refused</td>
<td>12</td>
<td>9</td>
<td>13</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>15</td>
<td>15</td>
<td>21</td>
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## Interim orders

### New interim orders tribunal hearing outcomes

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<tr>
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<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Q1 2018</th>
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</thead>
<tbody>
<tr>
<td>Suspension</td>
<td>49</td>
<td>58</td>
<td>43</td>
<td>12</td>
</tr>
<tr>
<td>Conditions</td>
<td>359</td>
<td>233</td>
<td>238</td>
<td>61</td>
</tr>
<tr>
<td>No action</td>
<td>114</td>
<td>48</td>
<td>71</td>
<td>22</td>
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<tr>
<td><strong>Total</strong></td>
<td>522</td>
<td>339</td>
<td>352</td>
<td>95</td>
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## Number of review hearings

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<th>2016</th>
<th>2017</th>
<th>Q1 2018</th>
</tr>
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<tbody>
<tr>
<td>Medical practitioners tribunal review hearing</td>
<td>157</td>
<td>171</td>
<td>148</td>
<td>29</td>
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<tr>
<td>Medical practitioners tribunal review on the papers</td>
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<td>12</td>
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<tr>
<td>Interim orders tribunal review hearing</td>
<td>1445</td>
<td>860</td>
<td>524</td>
<td>101</td>
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<tr>
<td>Interim orders tribunal review on the papers</td>
<td>-</td>
<td>277</td>
<td>351</td>
<td>125</td>
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<tr>
<td><strong>Total</strong></td>
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<td>1312</td>
<td>1035</td>
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<td>Report title:</td>
<td>Report of the Audit and Risk Committee</td>
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<tr>
<td>Report by:</td>
<td>Lindsey Mallors, Assistant Director Audit and Risk Assurance, Corporate Directorate, <a href="mailto:lindsey.mallors@gmc-uk.org">lindsey.mallors@gmc-uk.org</a>, 020 7189 5188</td>
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<td>Considered by:</td>
<td>Audit and Risk Committee</td>
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<tr>
<td>Action:</td>
<td>To consider</td>
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**Executive summary**

This report provides an update to Council on the Audit and Risk Committee’s summary of its activities to Council since January 2018. It notes:

- From its review of the Annual Report and Accounts, including the statement on risk, the Committee is satisfied that the accounts have been properly prepared and are in accordance with applicable accounting standards.

- That substantial assurance was given by the Head of Internal Audit in her annual opinion indicating that the systems of governance, risk management and internal control in operation during 2017 were generally well designed and working effectively to ensure the achievement of the GMC’s objectives.

- There have been no serious incidents to report to the Charity Commission.

**Recommendation**

Council is asked to consider the report of the Audit and Risk Committee.
Introduction

1 The Audit and Risk Committee (the Committee) provides Council with independent assurances on the effectiveness of arrangements established by the Executive to ensure the:

a Integrity of the financial statements.

b Effectiveness of the systems of internal control, governance and risk management.

c Adequacy of both the internal and external audit services.

2 The Committee has met three times since its last report to Council and held three seminar sessions on 25 January, 15 March and 17 May 2018. The May meeting was held in Manchester.

3 The seminars have covered unconscious bias in audit challenge and scrutiny, induction reflections from the new Director Strategic Communications and Engagement and risk and opportunity challenges and reflections from the perspective of the Director Registration and Revalidation. These have been very useful sessions in supporting the role of the Committee both in understanding more detail of the challenges in specific parts of the organisation and reminding members of some of the safeguards in carrying out their roles in an open and fair-minded manner.

4 At its March meeting the Committee refreshed its agenda to provide an opportunity for members to bring their own input to a risk discussion before the Chief Executive and Chief Operating Offer presented their own views on risks and issues. At the same meeting the Committee had a short insight session from the internal and external auditors on organisational culture. This is an area the Committee would like further time to consider and is planning a future seminar on the topic in September when the results of the staff survey will also have been reported. The Committee considers it would be a useful discussion to hold in the wider Council arena.

5 The Committee has recently reduced the number of regular attendees to meetings to help facilitate its discussions which members felt at times were inhibited by a large group around the table. Meetings continue to be attended by the Chief Executive, Chief Operating Offer, Director of Resources and Quality Assurance, Assistant Director Audit and Risk Assurance and the internal and external audit leads, supported by other directors and colleagues as appropriate to the business in hand. At the May meeting the Committee piloted a new approach to discussion and executive attendance for the presentation of audit reports. Given the continued pressure on agendas and achieving an appropriate balance between risk and audit, the Committee has trialled, where audit ratings are green only discussing the report if members have raised a particular aspect they wish to explore in advance. Going
forward this will mean management attendance should be reduced as they will only 
attend as required.

6 The Committee has also welcomed more observers recently, supporting both 
induction of senior new staff and the ongoing interest of colleagues across the 
business who wish to understand more about the Committee’s role and the GMC’s 
formal governance arrangements. The Committee continues to receive very positive 
feedback from observers and fully supports this activity.

7 Areas to bring to Council’s attention arising from the Committee’s responsibilities and 
activities are outlined below.

Risk management

8 Each year, as the trustees of a registered charity, Council is required to make a 
positive statement in the GMC’s Annual Report, confirming that the major risks to 
which the charity is exposed, as identified by the trustees, have been reviewed, and 
that systems have been established to mitigate those risks. The Audit and Risk 
Committee plays a key role in providing assurance to Council that risk management 
arrangements are in place and have operated effectively. During 2017, the 
Committee scrutinised the Corporate Risk Register at every meeting and sought 
assurance over the management arrangements in place through the Risk 
Management Framework to support Council in meeting this requirement. The 
Committee also received assurance in the year on specific risks covered through the 
programme of internal audit work, the results of which was reported to Council in 
December.

9 The Committee has also considered the risk statement in the Annual Report and is 
satisfied that it properly reflects its view of the balance of opportunities and risks 
facing the GMC and that the Risk Management Framework is operating effectively. It 
has contributed to the refresh of the Corporate Risk Register which now reflects the 
opportunities and risks in delivering the Corporate Strategy 2018-20 published at the 
start of the year. The new title—Corporate Opportunities and Risk Register (CORR)—
reflects the ongoing risk maturity journey by explicitly recognising the positive side of 
risk management and the Committee has been pleased to note this progress. It has 
continued to scrutinise the CORR and the Corporate Issues Log at each of its 
meetings in 2018.

10 The next independent review of risk by Moore Stephens is scheduled to take place in 
May/June 2018 and the scope of the review has been agreed with the Chair of the 
Committee. To maintain independence from the responsibilities for risk which sit with 
the Assistant Director of Audit and Risk Assurance, the review report will also be 
presented directly to the Chair of the Committee.
Internal audit management arrangements

2017 performance

11 The annual evaluation of internal audit’s performance 2017 has been completed. This considers the views of Committee members, the Executive and auditees and takes into account the key performance indicators for the internal audit service. There is a continuing high level of satisfaction expressed by all parties with the service they receive from the audit team and internal audit continues to have visibility and a positive profile across the business. Both auditees and the Executive indicate that the function adds value to their business areas. A summary of the audit performance review is at Annex A. The Committee concluded that the co-sourced arrangement continues to operate effectively.

Internal audit contract 2019-2021

12 This year will be the final period of a four year contract with our audit partner, Moore Stephens. A tender process is underway for a new contract to be in place from 1 January 2019 and the selection panel will meet on the 5 June 2018 to determine future arrangements. The panel is being chaired by the Chair of the Committee with support from an independent Committee member, the Director Resources and Quality Assurance, Head of Procurement, Assistant Director Audit and Risk Assurance and a head of section from the business to bring a specific auditee customer perspective. The Committee has also agreed that it will undertake a review of the audit delivery model in 2019 to ensure the new contract arrangements operate effectively and the co-sourcing model continues to be appropriate.

Internal audit strategy

13 The Committee has now agreed an internal audit strategy 2018-2020 which formally articulates the role and value audit brings in supporting delivery of the Corporate Strategy.

Head of Internal Audit annual report

14 At its meeting on 15 March 2018, the Committee received the annual report and opinion from the Head of Internal Audit. The opinion is given in accordance with the Institute of Internal Auditors Practice guidance in the context of a risk based audit programme which the Committee had agreed, and has been delivered with appropriate audit resources and skills. A significant amount of audit and assurance activity took place during the year and the annual opinion provides an overall summary of assurance with respect to systems of governance, risk and internal control in operation throughout the year.
The opinion awarded substantial assurance on the effectiveness of the GMC’s arrangements in place to ensure delivery of corporate objectives. The full report is at Annex B.

**Delivery of 2018 internal audit programme to date**

The Committee has overseen the completion of eight audit reviews in line with the 2018 programme and three spot checks. In all cases, the Committee has scrutinised the audit findings and satisfied themselves that the management actions proposed are appropriate.

The assurance ratings awarded to reports can range from red to green with red/amber, amber and green/amber in between. The reviews and assurance ratings for completed audits are given in the following table.

<table>
<thead>
<tr>
<th>Audit review</th>
<th>Assurance rating</th>
<th>Number of recommendations (high priority)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  2017 IA follow up</td>
<td>Green</td>
<td>0</td>
</tr>
<tr>
<td>2  UK graduates registration</td>
<td>Green amber</td>
<td>2</td>
</tr>
<tr>
<td>3  FtP health assessments</td>
<td>Green</td>
<td>2</td>
</tr>
<tr>
<td>4  Transformation Programme spot check 1</td>
<td>Green</td>
<td>4</td>
</tr>
<tr>
<td>5  GDPR readiness</td>
<td>Green</td>
<td>3</td>
</tr>
<tr>
<td>6  Procurement</td>
<td>Green</td>
<td>4</td>
</tr>
<tr>
<td>7  Whistleblowing</td>
<td>Green amber</td>
<td>1</td>
</tr>
<tr>
<td>8  Business continuity</td>
<td>Green amber</td>
<td>7</td>
</tr>
<tr>
<td>9  Antifraud and corruption</td>
<td>Green</td>
<td>0</td>
</tr>
<tr>
<td>10 Transformation Programme spot check 2</td>
<td>Green amber</td>
<td>4</td>
</tr>
<tr>
<td>11 Incident disclosure spot check</td>
<td>Green</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>31</strong></td>
</tr>
</tbody>
</table>

**Reporting audit progress**

At each meeting, the Committee received an audit progress report, including an update on the status of actions arising from internal audit work. The Committee can again report that there is continued effort to close outstanding audit actions and the audit tracker is being kept up to date.
Business assurance map

19 In January 2018 the Committee received a comprehensive update on the summary business assurance map. The map covers the main functions of the GMC, overlaid with corporate risks, management assertions, corporate quality assurance and internal audit knowledge arising from the sources of assurance that currently exist. The Committee considers the map a useful oversight tool and supports its continuing development. In 2017 GMC Services International activity was reflected and in 2018 the Committee noted that the map will be refreshed to include the new organisational structure of directorates for Strategy and Policy and Strategic Communications and Engagement.

20 The map continues to demonstrate that the GMC’s risk and controls environment is mature, that known risks are captured in the corporate and directorate level risk registers and that risk management activity is embedded at all levels.

Significant Event Reviews

21 There have been three significant event reviews (SERs) presented to the Committee during this period. Sadly, two relate to the suicide of doctors whilst under Fitness to Practise review and the third to an aggressive visitor to a patient liaison meeting. With respect to the doctor related SERs, there were no control weaknesses identified though both have aspects of communication practice which could have been handled differently and guidance and training following the Appleby review continues to be implemented. The aggressive visitor review did identify areas for improvement in the risk assessment carried out in advance of the meeting and the mitigations put in place to manage potential issues. These have now been addressed and procedures updated.

Trustees’ Annual Report and Accounts 2017

22 At its meeting on 17 May 2018, the Committee scrutinised the Annual Report and Accounts 2017 and received the Audit Findings report of the external auditor. In particular, members sought further assurance from the Assistant Director Finance on the assumptions included in the notes to the accounts on the pension scheme and provided helpful feedback on presentation of some of the fitness to practise data. The external auditor had no significant findings to report.

Follow up of the Committee’s annual review of its effectiveness

23 The Committee’s own review for 2017 demonstrates that there continues to be a very high level of consensus amongst members and attendees of its operational effectiveness. Given that there were changes to Committee membership in 2017, this is particularly pleasing to note. The only area where there continues to be a difference which first arose in 2016, is in relation to whether the Committee monitors the external audit firm’s compliance with the Ethical Standards for Auditors. Although
there are currently no concerns with this, the Committee will consider it more explicitly in its review of the external auditor’s performance this year.

Adding value

24 The Committee’s role is to add value to the GMC through supporting the achievement of good governance. It believes it is achieving this through:

a Being clear on its role and purpose and continuing to check that this is still appropriate for the business’s needs.

b Developing agendas and a programme of work which are pertinent to regular business and emerging issues so that meetings are relevant and focused.

c Providing scrutiny of the Corporate Opportunities and Risk Register, supporting the risk management framework and risk maturity journey.

d Holding management to account by calling directors and senior staff to meetings to respond to the findings from audit reviews and following through on the implementation of audit recommendations where appropriate and proportionate to the audit conclusions.

e Meeting internal and external auditors without management present.

f Regular dialogue between the Chair and Assistant Director of Audit and Risk Assurance between meetings.

g Holding regular seminar sessions to give greater depth of background knowledge to members on key topics and inviting auditors to provide broader insight from global and national risk and audit trends in the financial, political and health environments.

h Providing more time on agendas for reflecting on broader opportunity/risk issues and horizon scanning.
Review of internal audit performance 2017

Approach to review of internal audit performance

1 The review of internal audit performance has been drawn from three sources of information:

   a Committee and executive satisfaction questionnaires.
   
   b Auditee satisfaction questionnaires.
   
   c Analysis of audit key performance indicators.

Summary of findings

2 In summary, the third year of the co-sourcing arrangement has continued to build on the learning and knowledge it has acquired over the last two years and analysis of the performance remains strong.

3Audit delivery indicators show particular improvement in management responses to draft reports, but there is still more to do on timeliness at first draft and final report stages. As last year, there were no delays in meeting the Committee’s agreed reporting timetable.
Learning for 2018

4 The team must remain vigilant if it is to maintain the high levels of customer service and visibility that it currently enjoys. There have been new areas of audit focus in 2017, some very sensitive and to achieve the satisfaction levels indicated by auditees has required a significant amount of time and effort being invested in relationship management. We will continue to invest this time in new areas of review for the coming year to ensure audits and the reporting stages run smoothly.

5 There is still more to do on timeliness and this year we have seen some slippage in preparation of first draft reports and report finalisation. To ease this in 2018, we will not be scheduling audits over the main summer period when both GMC and Moore Stephens colleagues are on leave. New audit team colleagues will also be accompanied on site, at least for the start of fieldwork, by a Moore Stephens colleague who is familiar with the GMC.

6 Other points we have noted for 2018 are:

   a To focus more on outcomes (the scoping document template now includes this as a routine part of each audit).

   b To ensure all close meetings are held and findings/issued discussed with key team members before leaving site after fieldwork.

   c To streamline recommendations where possible.

<table>
<thead>
<tr>
<th>Response to satisfaction statement 2017</th>
<th>ARC and Executive survey</th>
<th>Auditees survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree 2016</td>
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<td>234</td>
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<tr>
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<td>2</td>
<td>18</td>
</tr>
<tr>
<td>Disagree 2016</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Strongly disagree 2016</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KPIs 2017 2016 in italics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scoping meeting held two-four weeks in advance 100% (100%)</td>
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<td>First report draft within ten days 84% (91%)</td>
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<td>Management responses within ten days 83% (65%)</td>
</tr>
<tr>
<td>Final report within five days 79% (91%)</td>
</tr>
</tbody>
</table>
Committee and attendee satisfaction

7 Overall there continues to be a high level of satisfaction; both Committee members and attendees have responded ‘agree’ or ‘strongly agree’ to every question in the survey, except two where there was one response each as ‘neither agree or disagree’.

8 The results suggest that the co-sourcing arrangement is still working effectively. Relationships between the audit team and the Committee and Executive remain strong with sufficient independence and objectivity demonstrated. Internal audit is seen to have a positive impact on achievement of GMC outcomes.

Audittee performance satisfaction

9 Overall the results of the questionnaires continue to be encouraging and reflect the effort the audit team makes in delivering a customer service focused on providing assurance as well as adding value. All 26 responses received are reflected in broad terms in the table below where 5 indicates ‘strongly agree’ and a 1 ‘strongly disagree’.

<table>
<thead>
<tr>
<th>Satisfaction area</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit planning</td>
<td></td>
<td></td>
<td></td>
<td>16</td>
<td>36</td>
</tr>
<tr>
<td>Communication and conduct</td>
<td>3</td>
<td>3</td>
<td>15</td>
<td>60</td>
<td>119</td>
</tr>
<tr>
<td>Audit reporting</td>
<td>1</td>
<td>1</td>
<td>11</td>
<td>58</td>
<td>79</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4</td>
<td>4</td>
<td>26</td>
<td>134</td>
<td>234</td>
</tr>
</tbody>
</table>

10 In particular, the detailed analysis reveals there is a continuing level of satisfaction from auditees with:

a Involvement in audit scoping.

b Professionalism and engagement of the audit team.

c Audits being conducted with minimal disruption to normal business.

d Willingness to listen to management comments on draft reports (but not be inappropriately influenced).

e Audit work providing assurance and value to business areas.

11 There were three scores for ‘strongly disagree’ covering communication during the audit, discussion of findings at the end of the on-site visit and reporting – both timeliness and accuracy – in relation to the contract management review. In this case the audit was undertaken by a new member introduced to the audit team overseen by
a Moore Stephens Director who was not on site. This created additional communication issues and required a significant amount of follow up before the audit findings position became clear. There was also one score of ‘strongly disagree’ for the cross directorate service requests review which related to findings not being discussed at the end of the on-site visit with one auditee team member. The findings were discussed in a later phone call to accommodate the diaries of the two assistant directors responsible for the areas covered in the audit. However, there should also have been a discussion with the auditee.

12 There were four scores of ‘disagree’. The ISO27001 and expenses audits took longer than planned to complete, the contract management audit was more disruptive to the team than anticipated due to the new audit team member noted above, and the cross directorate service request review was not considered by one colleague to have provided them with assurance and value. This is reflected in their comment ‘I’m not sure the report highlighted anything we didn’t already know’.

**Key performance indicators**

13 It is pleasing to see the improvement in sponsor agreement to scopes at least five days in advance and management response times to audit reports which has jumped from 65% in 2016 to 83% achievement last year. However, the deterioration in the draft report KPI from 91% down to 84% and in final reports down from 91% to 79% is not satisfactory. Whilst some of these are due to annual leave, there is room for improvement by both Moore Stephens and the Assistant Director of Audit and Risk Assurance in scheduling reporting timelines or agreeing where delays might occur in advance due to leave. We will not be running audits over the summer holiday period in 2018 to minimise delays due to either GMC or Moore Stephens colleagues’ leave.

14 As always, the team is conscious of the continual vigilance needed to ensure the audit programme runs smoothly. We remain sighted on maintaining audit profile and visibility, customer service and empathy with the general business pressure in planning arrangements and the principle that individuals who have contributed to audits out of courtesy should see a draft report to comment on for factual accuracy. This provides both knowledge of the outcome and the opportunity to test the reasonableness and practicality of recommendations before being signed off by director sponsors.
Head of Internal Audit Annual Report

Executive summary

The delivery of internal audit services and position within the governance framework

1 The GMC’s internal audit service is delivered through a co-sourcing model. The Head of Internal Audit (HOIA) role is carried out by the Assistant Director of Audit and Risk Assurance (ADA&RA), supported by an external audit team provided by Moore Stephens. Internal audit work has been planned and conducted in accordance with the International Standards for the Professional Practice of Internal Auditing and reflects the ethos of the Public Sector Internal Audit Standards, which include the requirement for an annual report from the ‘Chief Audit Executive’.

2 The Council is collectively responsible for the organisation’s system of internal control, governance and risk management in delivering the GMC’s strategic aims. It puts in place arrangements to provide assurance on the overall effectiveness of delivery of its corporate objectives and the internal audit function supports the assessment and understanding of how well those arrangements are working in practice. Internal audit is also a catalyst for positive change, supporting continuous improvement and providing opportunities for shared learning across the organisation.

3 An independent, objective and evidenced based HOIA opinion contributes to the assurance available to the Chief Executive, Chief Operating Officer, Executive, Audit and Risk Committee and Council in making their own assessment of the effectiveness of the arrangements in place.

Head of Internal Audit opinion

4 This opinion is given in accordance with the Institute of Internal Auditors Practice Guide: Formulating and Expressing Internal Audit Opinions. The planned audit programme in 2017 was risk driven, discussed with the Senior Management Team and agreed by the Audit and Risk Committee. The work was resourced with appropriate skills drawing on specific subject matter expertise as required.
5 A comprehensive risk-based audit programme has been delivered during 2017 with a few changes agreed with the Committee during the year to reflect emerging risks and changes in the wider organisational and external environment. This demonstrates the flexibility of the Committee and audit team in meeting new priority assurance. In addition to the 2017 programme of work, two reviews postponed from 2016 were conducted. The first was a review of benefits realisation as a result of implementation of the Change Programme and the second was a compliance review of contract management arrangements.

6 The opinion is not given on the basis of individual audit results, but in the context of an audit programme which has aimed to push and support the organisation in risk based areas, in line with its culture for continuous improvement. The work has always sought to add value to the teams involved as well as providing assurance to the Executive and Audit and Risk Committee. The audit team adopts an individual, intelligent and transparent approach to commissioning and scoping audit activity, involving senior management and auditees in the preparatory stages whilst maintaining independence and control of all audit activity and reporting.

7 Having adopted the approach outlined above, overall substantial assurance can be given that the systems of governance, risk management and internal control in operation during 2017 were generally well designed and working effectively to ensure the achievement of the GMC’s objectives. In providing this opinion I note the improvements made in the arrangements to support the delivery of enhanced monitoring in Education and Standards, an area of concern in 2016. This is discussed further in paragraph 19.

8 This opinion is based on:

a Outcomes of the audit reviews for 2017.

b Management’s approach to implementation of the recommendations raised in audit reports.

c Outcomes and analysis of three significant event reviews undertaken in 2017.

d Insight in to the control environment through:

i arrangements for setting and monitoring business objectives

ii risk management

iii information for decision making

iv performance reporting

v financial management and reporting.
9. The audit programme delivery costs were £298,345 (£297,867 in 2016) in the draft accounts against a budget of £300,676 (£289,067).

**Detailed audit activity**

10. The risk-based audit programme comprised operational compliance audits, spot checks for short targeted reviews, and audit work on areas with a clear key strategic impact – for example the Medical Licensing Assessment (MLA) and digital media strategy. A summary of audit activity is given in the table below and all reviews have been reported to the Committee as they have progressed throughout the year. The Committee has also had an update on the implementation of previously agreed audit actions at each of its meetings.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Work completed in 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programmed reviews</td>
<td>22 reviews, three spot checks and independent reviews of cyber security and BS10008 (a standard that underpins the legal admissibility and evidential weight of electronic information and the documents that are scanned to our systems)</td>
</tr>
<tr>
<td>Follow up of previous actions</td>
<td>Regular progress checks undertaken on outstanding actions. During 2017 118 new recommendations were raised. At the end of 2017 there were 24 actions to be completed in 2018 and seven overdue actions (all had appropriate explanations and follow up arrangements are in place)</td>
</tr>
<tr>
<td>Risk management</td>
<td>Review of the risk management framework in relation to managing risk in projects</td>
</tr>
<tr>
<td>Significant event reviews</td>
<td>Three SERs.</td>
</tr>
</tbody>
</table>

*Analysis of 2017 programmed reviews*

11. The audit programme included review of each of the statutory functions and a range of emerging risk areas. It was reviewed mid-year and discussed with the Audit and Risk Committee, concluding that the emerging risk areas remained appropriate to review. All of the reviews were designed to assess the extent to which effective internal controls were in place to manage the specific risks. The audit ratings for each review are based on a five-point scale of green through to red. Each review and the level of assurance provided is shown in the table.
<table>
<thead>
<tr>
<th>Audit review</th>
<th>Assurance rating</th>
<th>Number of recommendations (high priority)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 2016 IA follow up</td>
<td>Green</td>
<td>0</td>
</tr>
<tr>
<td>2 FTP s60 benefits realisation</td>
<td>Green-amber</td>
<td>2 (1)</td>
</tr>
<tr>
<td>3 Digital media strategy – phase 1</td>
<td>Green-amber</td>
<td>7</td>
</tr>
<tr>
<td>4 Employer Liaison Service</td>
<td>Green-amber</td>
<td>6 (2)</td>
</tr>
<tr>
<td>5 Provisional enquiries</td>
<td>Green-amber</td>
<td>4</td>
</tr>
<tr>
<td>6 Contract management</td>
<td>Amber</td>
<td>10 (2)</td>
</tr>
<tr>
<td>7 MLA Phase 1</td>
<td>Amber</td>
<td>7 (3)</td>
</tr>
<tr>
<td>8 In House Legal Services</td>
<td>Green-amber</td>
<td>5</td>
</tr>
<tr>
<td>9 Use of experts</td>
<td>Green</td>
<td>3</td>
</tr>
<tr>
<td>10 Social media spot check</td>
<td>Green-amber</td>
<td>2</td>
</tr>
<tr>
<td>11 Change programme benefits realisation</td>
<td>Green-amber</td>
<td>3</td>
</tr>
<tr>
<td>12 COO dashboard and data integrity</td>
<td>Amber</td>
<td>10</td>
</tr>
<tr>
<td>13 Risk management in projects</td>
<td>Amber</td>
<td>8</td>
</tr>
<tr>
<td>14 Policy development and management</td>
<td>Amber</td>
<td>13 (5)</td>
</tr>
<tr>
<td>15 Expenses spot check</td>
<td>Green</td>
<td>3</td>
</tr>
<tr>
<td>16 ISO 27001</td>
<td>Green</td>
<td>4</td>
</tr>
<tr>
<td>17 Registration appeals</td>
<td>Green</td>
<td>1</td>
</tr>
<tr>
<td>18 Cross directorate service requests</td>
<td>Green-amber</td>
<td>5</td>
</tr>
<tr>
<td>19 Payroll</td>
<td>Green</td>
<td>1</td>
</tr>
<tr>
<td>20 Business planning</td>
<td>Green-amber</td>
<td>7</td>
</tr>
<tr>
<td>21 MPTS data accuracy and integrity</td>
<td>Green-amber</td>
<td>3 (2)</td>
</tr>
<tr>
<td>22 Curricula approvals</td>
<td>Green-amber</td>
<td>5</td>
</tr>
<tr>
<td>23 Enhanced monitoring spot check</td>
<td>Amber</td>
<td>9 to be completed from 2016 (3)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>118 (18)</strong></td>
</tr>
</tbody>
</table>
Overall 118 recommendations were made in the audit reviews conducted during 2017, 18 of which were high priority. At the 14 February 2018 there were 24 actions not yet due and seven outstanding. Each of these has satisfactory explanations for the current level of progress and continue to be monitored. Progress in implementing recommendations has been reported regularly to the Executive Board and to each meeting of the Audit and Risk Committee.

In addition to the work above, cyber security penetration testing was undertaken, commissioned by the Committee through an independent supplier. The cyber security review adopted a ‘hacker’ approach to make the work as realistic as possible to the increasing information security attacks noted in the media. This included two phishing tests, an increasingly common tactic used by hackers, both of which were identified quickly by the GMC’s in-house security team. Overall the review concluded that in comparison to other organisations, the GMC is taking a proactive and mature approach towards cyber security.

The Committee also separately commissioned an independent review of the GMC’s BS 10008 (the British Standard for best practice in the implementation and operation of electronic information management systems) to which the GMC became fully accredited in 2016. The GMC is one of the first few organisations to hold BS 10008 accreditation and the independent reviewer was complimentary about the work of the team concluding that the information management system at the GMC is effective in ensuring the trustworthiness of electronic information.

Taking an holistic overview of the individual reviews conducting during the year there are three features of note:

a Risk is discussed at all levels of the organisation and is embedded in operational activities. Audit reviews are not identifying new risks or areas of risk-related non-performance.

b New initiatives are well planned, executed and managed but there is more to do in understanding and articulating the benefits of new pieces of work or projects, particularly where these are less easily quantified (i.e. non-financial measures).

c The strength of local controls and quality assurance remains good and there continues to be a culture of continuous improvement.

It is also worthy of comment that audit work continues to be viewed by senior management as a valuable tool. Staff take a constructive approach to audit reviews and reports, and recommendations are shared with teams and owned by management.
Spot checks

17 A spot check is a short, focused piece of review targeted at a specific area of the business as directed by management or the Audit and Risk Committee. Spot checks can be used to:

a Provide ongoing assurance to areas where operational performance is good and where a full internal audit may not by warranted (subject to spot check results).

b Review an area where operational performance has or appears to be deteriorating.

c Review an area where there may be emerging concerns about operational or management performance.

18 Three spot checks were undertaken during the year. These were used to provide assurance on the handling of social media, expenses (covering members, associates and staff) and a review to assess progress in implemented the recommendations made in the 2016 audit of enhanced monitoring which had identified weaknesses in operational arrangements and raised important questions about the purpose and effectiveness of enhanced monitoring in its current form. The audit had highlighted the need for a strategic review of the regulatory purpose of enhanced monitoring within the broader education remit and quality assurance model. This year’s follow up spot check noted measurable progress, particularly in addressing the operational issues. The investment in improving process and more rigour around decision making alongside work to better understand enhanced monitoring in the context of the regulatory framework has helped clarify operational processes.

19 However, less progress has been made with respect to the strategic level direction supporting and underpinning enhanced monitoring which was a high priority recommendation in 2016. The Audit and Risk Committee recognise that this is an important piece of work for Council to do and the Executive will be leading a Council seminar session in April on this matter.

Risk management

20 Risk thinking is integral to the work of the Committee and it devotes considerable time to reflecting on both strategic and operational risks. The Chief Executive and Chief Operating Officer update the Committee at the beginning of each meeting on key changes in the healthcare environment and the implications for the GMC’s activities, both external and internal. The Committee is therefore able to provide Council with assurance that risks and issues are properly considered and the Risk Management Framework is operating effectively across the organisation. Council also regularly discusses risks, particularly at a strategic level and the Corporate Risk Register is published on the website with Council papers. This demonstrates the GMC’s transparency and illustrates publicly the level of dynamism in its risk thinking as risks
escalate and close on the Register throughout the year. For example, new risks have been added including:

a Handling the GMC’s response to the historic sexual abuse inquiry

b Recognising the challenges and impact on its work from Health Education England’s organisational restructure

c Ensuring it is robust and resilient in handling statutory decisions when under particular media and external scrutiny.

However, risks have also been closed during the year, including:

a Registering an individual who is not properly qualified and/or unfit to practise owing to the limited checks the GMC can conduct on EEA nationals under EU legislation as there are sufficient controls in place to manage this risk within the current legislative framework.

b Losing support for revalidation from key interest groups as revalidation is now fully operational and following the evaluation review by Sir Keith Pearson, steps have been put in place for continuing to improve the current processes.

c The potential conflicts for resource for GMCSI/GCM activities which are formally monitoring through the GMC/GMCSI Forum which discusses work pipelines and resource requirements on a monthly basis.

During the year the GMC has also continued to evidence its risk maturity. A key example of this is the building of risk identification in to the development of the Corporate Strategy 2018-2020 from the outset. An independent external governance review of the GMC by GE Healthcare Finnamore Ltd noted that ‘the risk register appears effective for capturing the most important risks facing the organisation’, the publication of the risk appetite statement is ‘consistent with good governance practice’ and it is clear from the statement that the ‘Council and the organisation has a sophisticated understanding of risk and how it relates to its work’. The review also notes that the ‘risk management implications of the establishment and operation of GMC Services International have been effectively incorporated into the organisation’s risk management structures’.

**Significant event reviews**

A significant event is where an incident did or could have had the potential for a material adverse effect on the organisation. Carrying out a review allows identification of how the incident occurred and the learning from this to strengthen controls for the future where appropriate. The Audit and Risk Assurance function provides guidance, support, challenge and independent quality assurance over significant event reviews (SERs), their findings and action plans.
Three SERs were raised in 2017 and all have been reported to the Committee. These related to the granting of voluntary erasure to a doctor whilst under a Rule 12 review, a doctor committing suicide whilst under fitness to practise processes and an aggressive visitor at a patient liaison meeting. In all cases where actions were identified to improve control weaknesses, these have been addressed.

The organisation has also piloted this year, a more facilitative learning approach to undertaking significant event reviews. This adopts a ‘continuous improvement’ workshop style to drawing out the significant factors contributing to an SER, providing a more open and supportive learning approach. This has been well received by participants and the approach will continue to be used where the circumstances are appropriate.

The Charity Commission requires the GMC to report serious incidents as defined by their trustee guidance. There were no such incidents to report in 2017.

An independent governance review was undertaken in 2017, covering the six core principles from the Good Governance Standard for Public Services. The report concluded that the GMC is a well governed organisation with strengths evident across all six principles and many areas where best practice is demonstrated. Assurance can also be drawn on governance arrangements from the regular reporting to the Executive Board, Council committees and Council itself. Audit work in relation to projects also evidences that governance arrangements are carefully considered and put in place for all major programmes of activity.

The performance of internal audit is kept under ongoing review and is drawn from three sources of information:

a Audit and Risk Committee member and Executive satisfaction questionnaires.

b Auditee satisfaction questionnaires.

c Analysis of audit key performance indicators.

Overall the results of the questionnaires continue to be positive and reflect the effort the audit team makes in delivering a customer service focused on providing assurance as well as adding value. This is particularly pleasing given the number of new areas audit has focused on in 2017 and the challenges posed by some of the emerging risks.

The co-sourcing arrangement continues to work effectively with the level of audit expertise and quality of audit reporting complementing the detailed knowledge of the organisation. Relationships between the audit team and the Committee and Executive remain strong with sufficient independence and objectivity demonstrated and the
profile of internal audit continues to be visible across the organisation. Most importantly, internal audit is seen to have a positive impact on the achievement of GMC outcomes.

31 The team cannot however become complacent. As ever, there is room for improvement in the timeliness of delivering parts of audit reporting and it must remain vigilant to emerging risk areas where assurance is needed. In 2018 it will pilot an agile auditing approach to such areas, aiming to deliver short, focused audits in quick time in response to Executive and Committee needs.

32 A summary of internal audit performance for the year is given in the following table.

| Response to satisfaction statement 2017 | ARC and Executive survey | Auditees survey | KPIs 2017
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

33 As part of the ongoing quality assurance of audit work, as well as Moore Stephens’ own internal arrangements, the ADA&RA has reviewed a sample of audit working papers and all draft reports with the exception of the risk review. A number of recording issues have been noted within the Moore Stephens audit system, Pentana, and an action plan has been produced to address these. The ADA&RA will be undertaking a follow up review in April.

Independence of the Assistant Director Audit and Risk Assurance

34 The ADA&RA is accountable to the Chair of the Audit and Risk Committee with day-to-day line management through the Chief Operating Officer. This is an important
distinction to ensure the ADA&RA is, and is seen to be, independent of management decision-making. To maintain independence in the audit work relating to risk, the Assistant Director plays no part in the scoping of audits, and discussions and reporting of findings are conducted by the Moore Stephens Partner directly with the Chair of the Audit Committee, who sponsors the review. If the ADA&RA is involved in delivering audit reviews, the Partner from Moore Stephens undertakes a review of the report and challenge of the evidence and conclusions drawn.

35 For the period 5 February – 12 March 2018 the ADA&RA provided interim leadership of the Governance Team during an appointments period to replace the Assistant Director, OCCE. Although no conflicts of role arose during this period, appropriate arrangements were put in place in advance in the event of a conflict arising.

36 The ADA&RA has undergone training on unconscious bias during the year and is regularly challenged by the Partner, Moore Stephens, on safeguards for maintaining independence. The Audit and Risk Committee continues to meet separately with Moore Stephens at least once a year without the ADA&RA being present. The Committee has also taken part in an unconscious bias training session led by the Equality and Diversity Manager.
Executive summary
At its meeting on 12 December 2017 Council agreed to increase the funds invested under management by CCLA from £10 million to up to £50 million, subject to a further paper being presented to Council setting out a proposed implementation plan and timescale.

The Investment Sub-Committee has developed an implementation plan, reflecting discussions with CCLA, our fund manager and Asset Risk Consultants, our newly appointed investment adviser.

Recommendation
Council is asked to endorse the investment implementation plan and timescale approved by the Investment Sub-Committee on 1 May 2018.
Investment Strategy

1. GMC currently has £10 million of funds invested under management by CCLA. The balance of our funds is held in medium term deposits and interest-bearing cash accounts.

2. In 2017 the Investment Sub-Committee engaged Linchpin, an external professional adviser, to review our investment arrangements. Their key recommendation was that the level of funds invested under management should be increased, as holding the majority of funds in cash would not provide protection against the real value of our assets being eroded by inflation.

3. At its meeting on 12 December 2017 Council agreed to increase the funds available for investment from £10 million to up to £50 million, subject to a further paper being presented to Council setting out a proposed implementation plan and timescale.

4. On 1 May 2018 the Investment Sub-Committee approved an implementation plan at Annex A, that reflects discussions with CCLA (our fund manager). Specific points to note are:

   a. Aggregate share prices are currently at relatively high levels, so it is sensible to approach the initial investment with a degree of caution. CCLA suggest that the investment be made in eight monthly tranches of £5 million. This reduces the effect of market volatility through ‘pound-cost averaging’ as each tranche is invested at the prevailing price.

   b. A proposed short and longer term asset allocation is set out in Annex A.

   c. The bespoke portfolio will be managed in line with the Investment Policy approved by Council in April 2018. CCLA has confirmed that a similar level of positive ethical engagement activities can be maintained once funds have been moved to a bespoke portfolio.

   d. The existing holding in the COIF Ethical Fund would be retained until the end of the process in order to maintain diversification. When the tranches are substantially complete, and the diversified bespoke portfolio is established, CCLA will then start to realise the existing holding in the COIF Fund and use the proceeds to widen the range of direct holdings in the bespoke portfolio.

5. In view of the additional complexity of managing a bespoke portfolio of £50 million the Investment Sub-Committee has recently appointed Asset Risk Consultants to provide

* The GMC’s Investment Policy (April 2018) can be found on the Reference documents shelf of the Board Intelligence app.
ongoing independent external advice. We have shared the implementation plan with Asset Risk Consultants and their observations are that:

a Our investment approach is relatively low risk and so is not exposed to significant volatility and risk. The approach of increasing our investment in monthly tranches provides further mitigation.

b The proposed asset allocation represents a sensible mix of asset classes which balance returns, security and diversification.

c The risk profile of the proposed portfolio remains low over the short and longer term.

d CCLA’s proposed fee structure (which is commercially sensitive and so not reported here) is consistent with the market rate for the services being provided.

6 As part of our agreement with Asset Risk Consultants they will also conduct a periodic review of our overall investment strategy, including an assessment of the combined risks arising from the GMC’s investment portfolio and the GMC pension scheme investment strategy.

7 We are also arranging for Asset Risk Consultants to provide investment training to all members of the Sub-Committee, and any members of Council who wish to attend. In addition, we are in the process of recruiting a third external co-opted member to support the work of the Sub-Committee.

8 Subject to Council endorsing the implementation plan, the first tranche of £5 million will be passed to CCLA in July 2018.
Investment implementation plan and timescale

Objectives

1. To increase funds under management from £10 million to up to £50 million.

2. To move from CCLA pooled funds to a bespoke, directly invested portfolio that reflects the GMC’s specific requirements:
   a. To provide protection against inflation; to generate a modest level of income; and to diversify our funds to reduce the risk of capital and/or revenue loss.
   b. To deliver a target return of Consumer Price Index (CPI) + 2% measured over a rolling five year period.
   c. To maintain a comprehensive ethical investment approach, as set out in the GMC’s investment policy.

Proposed asset allocations

3. To achieve our investment objectives we propose setting upper and lower limits on the proportion of funds invested in each asset class:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Minimum weight %</th>
<th>Maximum weight %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>25</td>
<td>45</td>
</tr>
<tr>
<td>Direct property</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Private equity</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Contractual income</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>UK Index Linked fixed interest</td>
<td>0</td>
<td>75</td>
</tr>
<tr>
<td>Cash</td>
<td>0</td>
<td>15</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td>Government bonds</td>
<td>0</td>
<td>50</td>
</tr>
<tr>
<td>Global bonds</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Emerging Market bonds</td>
<td>0</td>
<td>5</td>
</tr>
</tbody>
</table>
4 Specific allocations within these limits will be determined by CCLA based on their assessment of market conditions.

5 The proposed portfolio focuses on investing 25% - 45% in equities as this asset class is most likely to deliver real returns on investment. However, a portfolio based entirely on equities would be exposed to a high level of risk and volatility, and so other asset classes have been included to diversify the portfolio and constrain risk.

6 Based on CCLA’s analysis of current market conditions they propose the following initial asset allocation:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Initial weight %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>25</td>
</tr>
<tr>
<td>Direct property</td>
<td>10</td>
</tr>
<tr>
<td>Private equity</td>
<td>0</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>7.5</td>
</tr>
<tr>
<td>Contractual income</td>
<td>7.5</td>
</tr>
<tr>
<td>UK Index Linked fixed interest</td>
<td>5</td>
</tr>
<tr>
<td>Cash</td>
<td>15</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>10</td>
</tr>
<tr>
<td>Government bonds</td>
<td>10</td>
</tr>
<tr>
<td>Global bonds</td>
<td>5</td>
</tr>
<tr>
<td>Emerging Market bonds</td>
<td>5</td>
</tr>
</tbody>
</table>

7 CCLA expect that this asset combination will deliver a long-term net real return of 2%, with annual volatility of around 7%.

**Implementation and timing**

8 Despite a modest correction in the first quarter of 2018, aggregate share prices are currently at relatively high levels, so we propose to adopt a cautious approach to the initial investment of additional funds. We propose to increase our investment from £10 million to £50 million in eight monthly tranches of £5 million.

9 By investing in tranches rather than committing the whole sum at one time we seek to mitigate risk and benefit from ‘pound-cost averaging’. This approach provides some protection if markets drop shortly after funds are invested. Instead of the entire investment suffering the loss, only the invested portion does, and the benefit is that the remainder is then invested at lower prices. Risk is therefore mitigated by averaging out the gains and losses from investing at different prices over time.

10 Our existing investment in CCLA’s pooled fund (COIF Ethical Investment Fund) will be retained until the end of the process in order to maintain diversification. Once a significant diversified portfolio of direct investments is established, CCLA will start to realise the existing holding in the COIF Ethical Investment fund and reinvest the proceeds to widen the range of direct holdings in the portfolio.
Subject to Council endorsing the implementation plan, the first tranche of £5 million will be passed to CCLA in July 2018.