

Quality Report to Audit Committee, 28 February 2007

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Introduction

This is the second quality report to the Audit Committee.

The first report to the committee was intended to explain HPC's ISO 9001:2000 Quality Management registration, the processes and mechanisms of quality system and provide a high level illustration of the trends in quality since gaining ISO 9001 registration. It is HPC's intention to provide this trend analysis to the Audit Committee on a yearly basis. This first report also showed a detailed summary of the quality audit information collated over the last quarter.

The purpose of this report is to show the Audit Committee a detailed summary of the quality audit information collated since the last report, and in so doing, provide added assurance to the committee, Council and it's stakeholders that there are systems in place to ensure that the HPC works effectively and provides value for money.

Human resources

Ruth Bacon, Quality Manager, resigned in December 2006. This position will be advertised in February 2007.

The majority of internal audits and QMS reviews scheduled from December 2006 to February 2007 were completed prior to Ruth's departure.

Internal quality audits

The process of internal quality audits is a requirement of the ISO 9001:2000 standard. We have an internal quality audit schedule that ensures that all areas of the business are reviewed on a regular basis. The frequency of internal quality audits (in line with the standard) is scheduled in accordance with the significance of the business area being audited (core departments are reviewed twice a year and support departments once a year).

Below is a list of recent internal quality audits:

- Thursday 16 November 2006 International
- Wednesday 22 November 2006 Aspirant Groups & CPD
- Wednesday 20 December 2006 Office Services
- Tuesday 2 January 2007 Policy
- Wednesday 3 January 2007 Human Resources
- Friday 5 January 2007 Approvals & Monitoring

These audit reports are in Appendix 2.

External quality audits

The participation in external audits is a requirement of our ISO 9001:2000 registration. We are registered with the British Standards Institute (or BSI), who conduct 2 audits a year. The format of these external audits is established with reference to/and to reflect our internal quality audit schedule.

Last BSI audit

Below is a list of the departments that were audited on Monday 16 October 2006:

- Quality Management
- Finance
- Communications
- Policy

Next BSI audit

Below is a list of the departments that will be involved in the next round of BSI audits.

- | | |
|-------------------------|---------------|
| ▪ Quality Management | 09.00 – 10.00 |
| ▪ CPD & Aspirant Groups | 11.00 - 12.00 |
| ▪ Secretariat | 12.00 - 11.00 |
| ▪ Customer Service | 12.30 - 13.30 |

The next BSI external audit is scheduled for 24 April 2007 however; this date may be revisited following the appointment of a new Quality Manager.

QMS review meetings

An additional process has been set up to provide further quality assurance. Review meetings have been established on a cyclical basis giving all process owners a chance to ensure the QMS for their area of the business is reviewed on a regular basis.

Review meetings are organised by the Quality Manager on a monthly basis and the outcomes of the meetings tend to fall into 2 categories;

- 1) Highlighting areas for improvement; and/or
- 2) Highlighting the need for changes to the content of the QMS

Below is a list of recent QMS reviews.

December 2006	Office Services
December 2006	Policy
January 2007	Human Resources - Partners

QMS process updates

It is important that the QMS is kept up to date and the content of this is managed by the Quality Manager. This is the system that external auditors will be assessing so all employees need to be familiar with its content and purpose.

Any changes to QMS and its processes are logged through the helpdesk system. This allows process owners to view the progress of their changes and ensures that the Quality Manager has a complete audit trail of updates for audit purposes.

Below is a list of recent significant process changes on the QMS:

- Governance page
- Policy processes
- Project management

Appendix 1 - Summary of quality terminology

Quality terminology

As some of the terms used in this report will be relatively new I thought I would begin by providing some definitions to put the quality terms into context and explain how they constitute the internal quality assurance processes.

Quality management system (QMS)

The quality management system (or QMS) exists to provide a formal framework describing the way HPC conducts its business. Our QMS is an electronic system that stores information on HPCs quality policy and objectives along with details of our processes and procedures.

QMS Process change

It is important that the QMS is kept up to date and the content of this is managed by the Quality Manager. This is the system that external auditors will be assessing so all employees need to be familiar with its content and purpose.

Any changes to QMS and its processes are logged through the helpdesk system. This allows process owners to view the progress of their changes and ensures that the Quality Manager has a complete audit trail of updates for audit purposes.

Quality management system (QMS) review meetings

An additional process has been set up to provide further quality assurance. Review meetings have been established on a cyclical basis giving all process owners a chance to ensure the QMS for their area of the business is reviewed on a regular basis.

Review meetings are organised by the Quality Manager on a monthly basis and the outcomes of the meetings tend to fall into 2 categories;

- 3) Highlighting areas for improvement; and/or
- 4) Highlighting the need for changes to the content of the QMS

QMS feedback loop

It is a requirement of the ISO 9001:2000 standard that all employees be given the opportunity to provide input to the QMS. To further enhance communication and allow all employees provide quality input, an anonymous feedback loop has been set up so that all employees can provide feedback on quality related issues.

The role of the Quality Manager is to use this information to ensure that the business functions as effectively as possible. All employee feedback issues are logged by the Quality Manager and followed up with relevant process owners to ensure wherever possible action is taken to address them.

Quality process

Internal audits

The process of internal quality audits is a requirement of the ISO 9001:2000 standard. We have an internal quality audit schedule that ensures that all areas of the business are reviewed on a regular basis. The frequency of internal quality audits (in line with the standard) is scheduled in accordance with the significance of the business area being audited (core departments are reviewed twice a year and support departments once a year).

External audits

The participation in external audits is a requirement of our ISO 9001:2000 registration. We are registered with the British Standards Institute (or BSI), who conduct 2 audits a year in April and October. The format of these external audits is established with reference to/and to reflect our internal quality audit schedule

Outcomes of quality audits

There are various outcomes of both internal and external audits. In the unlikely event that an auditor does not find any area that does not meet the requirements of the ISO 9001:2000 standard a report will be produced with no follow on actions or recommendations.

More commonly issues do arise and these fall into 2 categories:

- 1) Non conformities (or issues as they are referred to by BSI); and
- 2) Observations

Non Conformities

Non conformities are raised by an auditor where evidence of a shortfall in how the business is functioning in relation to the requirements of the ISO 9001:2000 standard is recognised.

Taking action on non conformities is compulsory. For all non conformities identified (from both internal and external quality audits) we need to be able to demonstrate that we are taking action to address each shortfall. An auditor can make a recommendation but the specific action taken is entirely our choice and can be in whatever form we feel is appropriate as long as the shortfall identified is addressed. All non conformities are logged by the Quality Manager and followed up with the relevant process owners to ensure action is taken to address them.

Observations

Observations (or issues as they are sometimes called) are areas that an auditor has drawn our attention to as there is the possibility for potential improvement or change to ensure the business functions as effectively as possible.

Taking action on observations is not compulsory but at HPC we feel it is best practise to do so. All observations are logged by the Quality Manager and followed up with the relevant process owners to see if action can be taken to address them.

Appendix 2 – Audit Reports

Thursday 16 November 2006	International
Wednesday 22 November 2006	Aspirant Groups & CPD
Wednesday 20 December 2006	Office Services
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Communications had advertised at the beginning of the window, mark would like advertising throughout the period.

What happens about the need for additional assessors?

For the first round of grandparenting additional assessors were recruited.

For the ODPs

- 47 Grandparenting applicants applied
- 46 International applicants applied

There are 8 assessors for ODPs and over the 2 year period this was enough.

Partner training

Once every 2 years partner training is held. This time it will be run every Friday in March 2007.

How is the training planned?

As a result of some bad registration assessor decisions and the regular need for further training, sessions are organised regularly.

A draft invitation letter is created by the Partner manager (Yasmin Hussain) and this letter contains suggested dates for the training to take place.

Yasmin is responsible for booking the venues, organising the assessors and paying them fees for attendance.

Mark reads a draft letter that will be sent to assessors and provides the content. Currently the final content of the training for the next sessions has not been decided, this decision will be taken after Christmas.

Mark gets advice from the other departments that use the same partners. Marc would like to move towards the separation of roles so that assessors can only do one of the roles. For example Registration assessors will not be allowed to sit on panels. It will be Yasmin's decision on what happens ultimately.

Partner conference

What is the purpose of the conference?

- To get everyone together
- Networking
- Building relationships
- For both parties to give feedback (HPC employees and partners)

There are breakout groups during the conference that will be run by managers.

A couple of the registration officers will be going to the conference too. Marc and some of council will also be there.

How is feedback from the conference captured and what is done with it?

- Formal framework is provided for feedback (feedback forms etc)
- Informal feedback is received via phone calls etc
- Numbers of people attending etc

Observation 1: What happens to the feedback that is collected at the partner conference?

3. Resources

People, Environment, Equipment, Tools, Communications and Services

- 1x Customer Service Manager
- 9 full time Registration Officers
- 1 Acting Team Leader

4. Criteria

Criteria (Legislation and Regulation, Corporate Policy, Local Policy, Customer requirements and Procedural Requirements)

- HPC Order 2001
- Legal advise from HPC lawyers
- Requirements for partner training

5. Records

- Application forms
- Purged applications
- LISA
- Rota
- Marks goals and objectives
- Management reports
- Partner training documents

6. Measures

- Processing times
- Criteria for purging (set out by lawyers)
- Partner training feedback

7. OBSERVATIONS AND NON CONFORMITIES

This is information regarding any observations and non conformities recognised during the audit.

As a result of this audit there was 1 observation (see below) and 0 non conformities.

Observations

Reference	Observation	Proposed action	Responsibility of
Observation 1	What happens to the feedback that is collected at the partner conference?		Partner Manager