

HAC

HEARING AID
COUNCIL

ANNUAL
REPORT
2002-2003

HAC

ANNUAL REPORT 2002-2003



HEARING AID COUNCIL

(INCORPORATED UNDER THE HEARING AID COUNCIL ACT 1968
AS AMENDED BY THE HEARING AID COUNCIL (AMENDMENT ACT 1989))

CONTENTS

OF THIS REPORT

FINANCIAL STATEMENT

(for the period ended 31 March 2003)

About the Hearing Aid Council	4
Members of the Council, Registrar, Bankers and Auditors	5
Chairman's report	6 - 7
Laying firm foundations	8 - 9
Raising professional standards	10 - 13
Streamlining the disciplinary process	14 - 16
Improving accessibility	17 - 18
Ensuring an effective operating framework	19 - 20
Examination results	21
Calendar of meetings	22 - 23
- Report of the Members of the Council	24 - 25
- Report of the Auditors	26 - 27
- Income and Expenditure Accounts	28
- Balance Sheet	29
- Principal accounting policies	30
- Notes to the financial statements	31- 34
- Income and Expenditure Accounts	35

ABOUT THE

HEARING AID COUNCIL

The Hearing Aid Council (HAC) is a statutory body established under the Hearing Aid Council Act 1968 (which was amended in 1989). It regulates anyone who sells hearing aids whether in the High Street, the purchaser's home or in a hospital. The HAC does not regulate hearing aids supplied free of charge by the NHS, through mail-order nor e-commerce sales.

The Act makes it a statutory requirement that hearing aids may only be sold by a dispenser who is suitably qualified and who is registered with the HAC.

The HAC has twelve members and an independent Chair, each of whom is appointed by the Secretary of State for Trade and Industry. Membership is split equally between those representing people with hearing impairment, those representing registered hearing aid dispensers and those with appropriate medical or technical qualifications.

The HAC gives the consumer protection through its Code of Practice which sets the standards of competence and conduct towards which all registered hearing aid dispensers are expected to work. A full copy of the Code can be downloaded from our website or is available free of charge on request from the HAC.

All registered hearing aid dispensers (hereinafter referred to as 'dispensers' or RHADs) and their employers must comply with the Code of Practice. If they fail to do so, they may face a disciplinary process with a range of penalties including fines, suspension and being struck off the register.

MEMBERS OF THE COUNCIL, REGISTRAR, BANKERS AND AUDITORS

MEMBERS OF THE COUNCIL

CHAIRMAN

C Hughes (appointed 1st September 2003)
John Raine (retired 31st August 2003)

COUNCIL MEMBERS

Tony Corcoran
Mark Georgevic
Margaret Hughes
John Irwin
Jonathan Ormerod
Peter Ormerod
Christine Pearce
Deepak Prasher
Vicki Skeels
Huw Thomas
Denise Yates
Lam Hoe Yeoh (until 31st December 2002)
Maurice Hawthorne (from 1st January 2003)

REGISTRAR

Christopher Reid F.C.A.

REGISTRAR'S TEAM

Carole Jenkins - Assistant to the Registrar
Linda Reid - Financial & Management Accountant
Tracy Holdstock – Book-keeper and Payroll
Val Cockram – Complaints and Administration
Alison Benson – Complaints and PR work
Janet Rickard – Training, Examinations, Registrations and CPD

BANKERS

Bank of Scotland - Reading

AUDITORS

Grant Thornton Chartered Accountants
Central Milton Keynes

CHAIRMAN'S REPORT

REPORT



John Raine

It is with some sadness that I write this foreword, as I retire as Chair of the Hearing Aid Council in August 2003. There has been tremendous change both in the market for hearing aids in the UK and in the nature of relationships between the key players in that market during the six years in which I have been Chair. I believe that the Hearing Aid Council has made a positive contribution to improving the effectiveness of private hearing aid dispensing for the benefit of consumers and the profession.

The choices open to the consumer about the type of hearing aid they use and where they obtain them are greater than they have ever been. A wider range of aids is now capable of being provided by the NHS and the demand for these new products has led to pilots in which private sector dispensers have worked together with NHS staff on an equal footing.

I also believe that the reputation of hearing aid dispensers is increasing as more and more people recognise the standards of professionalism required of private dispensers in their work. Certainly, the numbers applying to become registered hearing aid dispensers continue to grow and high standards are achieved by trainees in the HAC examinations. In addition we have seen a major High Street chainstore enter the market to dispense hearing aids.

Greater awareness and understanding about the role of the HAC in raising the professional standards is also being achieved. As a result, discussions are currently taking place between the Hearing Aid Council and other Audiological Professional bodies with a view to securing greater reciprocity of qualifications. I am glad to say that the prospects of developing a common professional structure look encouraging.

Following a review by Makrotest on the workings of the Hearing Aid Council, which was published in 2001, changes in terms of improved dialogue with stakeholders and more streamlined methods of dealing with complaints were proposed. The Council has addressed these recommendations and our initial experience of the revised complaints and disciplinary arrangements looks encouraging. In common with other regulators, we have an obligation to ensure that consumer complaints are dealt with expeditiously and, where appropriate, that lessons are learned by the whole profession. Accordingly, a new Code of Practice has been drawn up and is being widely consulted upon. It is hoped to introduce this new Code at the beginning of 2004.

CHAIRMAN'S REPORT cont..

Council Members held a stocktaking session in November 2002 aimed at identifying priorities over the next three years. As a result, three key areas were identified:

- i) Improving the image of the HAC
- ii) Improving professional standards
- iii) Improving the complaints and disciplinary process

These priorities are reflected in this Annual Report. In addition, to take the organisation forward, the Department of Trade and Industry (DTI) has agreed that the HAC should be reconfirmed as an Executive Non Departmental Public Body (NDPB). We are still resolving the details of how this will work in practice. However, the aim is to ensure that the HAC is put on a firmer financial footing and is thus able to play its full part in the private hearing aid market for the benefit of all concerned.

Finally, I would like to thank my colleagues on the Hearing Aid Council, past and present, and to wish them well for the future. Throughout my six years of office, I have been impressed by the skill and dedication of all the Council members. They are volunteers, selected by competitive recruitment, and the demands made of them and the responsibilities they carry are onerous. This year, I must give particular mention to Dr Robin Yeoh who completed his term of office in December 2002. His unstinting work as Chairman of the Investigating Committee has helped to lay firm foundations for the developments which are now taking place in that area.

I have greatly enjoyed my six years as Chair of the HAC and the unfailingly constructive discussions I have had during that period with the DTI, British Society of Hearing Aid Audiologists (BSHAA) office holders, individual hearing aid dispensers, representatives of consumer and medical organisations, and others. I would also like to welcome my successor, Christopher Hughes, who takes up the Chairmanship of the HAC in September 2003. In facing the changes ahead, I am confident that the Hearing Aid Council will continue to have an over-riding concern for the needs and quality of service that the many thousands of hearing aid users deserve.

John Raine



June 2003

LAYING FIRM FOUNDATIONS

FUTURE PRIORITIES

- To ensure that UK Registered Hearing Aid Dispensers are competent, professional and provide a high standard of ethical service to their clients.
- To consider the introduction of random audits for the purpose of upholding professional standards of conduct and service amongst dispensers.
- To continuously review, evolve and develop the Code of Practice to meet the needs identified.
- To maximise the contribution of Registered Hearing Aid Dispensers to the health of the nation

OUR WORK THIS YEAR

At the core of the Hearing Aid Council's work is our Code of Practice – a set of operating guidelines which interpret the legislation surrounding the sale of hearing aids in the UK. When a private hearing aid dispenser becomes registered with the HAC (which they must do to practice) they make a commitment to adhere to this Code of Practice. Failure to do so can result in an investigation of the individual's or employer's operation, possibly leading to disciplinary proceedings.

It is therefore extremely important both for the individual dispenser to have a detailed knowledge and understanding of the HAC's Code of Practice and also for this Code to be regularly reviewed and adapted to meet changing needs.

The Council's Code of Practice was last reviewed in March 1999. Since that time, there have been a total of 44 disciplinary cases considered by the Council's Disciplinary Committee. These have highlighted a number of issues which needed to be addressed, but which, in some instances were not covered by the existing Code.

The need for a review was also reinforced in the Makrotest Report in 2001. This report recommended that the Code of Practice should be updated to include a system of Continuous Professional Development (CPD) to maintain and improve standards amongst dispensers and their employers.

The first draft of the new Code of Practice and Standards of Competence was distributed in June 2002 to all dispensers and employers on the register and also to the hundred or so interested parties on the HAC's mailing list - approximately 1200 people in total.

LAYING FIRM FOUNDATIONS cont..

A further consultation took place in November 2002, when the 9th version of the Code of Practice was distributed to all those previously consulted and also to the Lord Chancellor's Department. Following comments and advice from the HAC and DTI lawyers, a further draft was then circulated for comment.

We had hoped that the changes made to this document would have been given Ministerial approval in 2003. However, this was not possible. To ensure that the amendments are made and published to give the next set of examination students the opportunity to familiarise themselves with the new Code of Practice before they take their examinations in 2004, it is hoped approval will soon be given for publication at the beginning of 2004.

RAISING PROFESSIONAL STANDARDS

FUTURE PRIORITIES

- To review the entry qualifications to the Hearing Aid Council examination process.
- To continue to successfully run two examinations a year.
- To keep under review the examination process to ensure that candidates qualifying are competent and fit to act as Registered Hearing Aid Dispensers.
- To introduce Continuous Professional Development on a voluntary basis from 1 July 2004 and on a mandatory basis from 1 April 2005.
- To monitor and provide a reporting system to the Council for all CPD activity undertaken by Registered Hearing Aid Dispensers.
- To continue the process of securing graduate level entry for RHADs;
- To continue the process of recognition of RHADs within the education and health sectors.

OUR WORK THIS YEAR

This year has been a particularly busy one for the Hearing Aid Council in taking forward our work to raise the professional standards of private hearing aid dispensers in the UK and we are pleased with what the Examining Body has achieved.

The Examining Body is responsible for our work on a number of fronts including:

RAISING PROFESSIONAL STANDARDS cont..

EXAMINATIONS

The main objective of this committee is to oversee the standards of competence laid down in the Hearing Aid Council Act and the Code of Practice. This involves administering applications from candidates wishing to become trainees, updating the syllabus, setting and marking the examinations (both theory and practical). The committee also has to set the minimum standards required to become a Registered Hearing Aid Dispenser.

In 2002, 209 students took part in examinations in April/June 2002 and October/November 2002. This is a 23% increase on the previous year. 67% of the students who put themselves forward for examination passed. To enable us to cope with the growth in the number of people taking the HAC examinations, last year we recruited several new examiners with a range of expertise who had put themselves forward for consideration.

To ensure we maximise the effectiveness of our examination's structure, we have regular meetings with all the examiners on the HAC's list and also with those people who train candidates for the exam. The aim of these meetings – which are open to all trainers of Registered Hearing Aid Dispensers - is to monitor and troubleshoot the examination process, update the examination question pool, and discuss issues relating to the training of candidates for the exams.

CONTINUOUS PROFESSIONAL DEVELOPMENT

Like many other professions, the Hearing Aid Council sees CPD as essential in ensuring that the skills of all dispensers are as relevant and up to date as they can possibly be in a profession characterised by rapidly changing technology. We now have the structure and technology in place to process CPD applications and we are planning to introduce the system once the new Code of Practice has been approved.

CPD accreditation is now being encouraged and we have already had several applications from potential candidates.

RAISING PROFESSIONAL STANDARDS cont..

THE CRITERIA FOR CPD

WILL BE AS FOLLOWS:

- **The Examining Body will agree which courses are accredited and will allot the relevant points to all courses within the CPD programme.**

- **Structured points will be accredited to relevant topics from:**
 - Conferences
 - Seminars
 - University modules
 - Distant Learning
 - In-house theory and practical training following approval of submission from a Training Officer or a Senior Dispenser.

- **Unstructured points will be accredited to relevant reading of:**
 - Professional journals
 - International journals
 - Articles from hearing aid manufacturers
 - Articles from newsletters
 - Educational books on hearing aid dispensing

- **The registered dispenser should undertake each year, as a minimum standard, 20 structured and 5 unstructured points, with a total of 25 points per annum. Points in excess or in shortfall of 25 points per annum may be carried over to the following year, with a minimum standard of 50 points for any consecutive two year period.**

- **The Registrar will call for the CPD record of each dispenser at the time of annual registration.**

- **A dispenser who does not comply with the minimum standard of 50 points over any consecutive two year period may apply to the Examining Body for an extension, stating the grounds for any shortfall.**

- **The Examining Body will carry out random audits on RHADs and their employers.**

- **The Investigating Committee may request CPD records of any dispenser under investigation.**

RAISING PROFESSIONAL STANDARDS cont..

RECIPROACITY

The hearing aid market between private and NHS hearing aid dispensing is becoming increasingly blurred. It is therefore essential that we not only understand how the examination system for private hearing aid dispensers fits into this changing world, but that there is also some reciprocity between the two structures.

Over the past twelve months, Examining Body members have continued their hard work on reciprocity, meeting regularly with representatives of the British Association of Audiologists (BAAT), Higher Education providers and the Department of Health to work towards common qualifications for audiologists in the public and the private sectors.

One of the most positive outcomes of our discussions this year is that we have now agreed with BAAT that - except for minor differences - the HAC and BAAT qualifications are equivalent. This means that those with the HAC qualification can sit an "aptitude test" covering these differences to achieve a BAAT exam pass. Previously such people had to sit the full BAAT exam with the 2 year training implications.

In addition, we have agreed with higher education providers, the Department of Health and the hearing aid industry that the minimum entry requirement to become an RHAD will be a BSc or equivalent. The date for these entry requirements to be changed to this level is still under discussion and is subject to workforce planning numbers. In addition, the new Code of Practice has given the new entry level as 2 'A' levels, with effect from the approval of the Code.

All of this activity has increased the workload of the HAC's Secretariat. In addition, the increased number of examiners have had to be successfully integrated and trained without affecting the standard of the examination. We have also improved quality assurance to maintain the security and integrity of the examination system – including the appointment of a moderator for each examination. All of this has been done within a limited budget.

STREAMLINING THE DISCIPLINARY PROCESSES

FUTURE PRIORITIES:

- To further promote the work of the Investigating Committee in interviewing dispensers with respect to complaints received from the public. Through this we would aim to provide early intervention, assistance and encouragement to dispensers and seek to reduce the need for disciplinary hearings.
- To continue to operate the new fast track disciplinary process for less serious offences in order to reduce costs and avoid the necessity for disciplinary hearings.
- To closely monitor and review the costs of the disciplinary process without reducing the standards required of dispensers and their employers.

OUR WORK THIS YEAR

Of the many people who bought hearing aids in the UK in 2002, most were satisfied with the results. However, if we are to continue to raise the standards of professionalism amongst Registered Hearing Aid Dispensers, it is also essential that we have in place an effective and efficient system for investigating complaints and disciplining those dispensers whose practices do not come up to the high standards expected.

The Council's disciplinary process has been the subject of some complaint in the past for the slowness of its operation and its cost. This year we have therefore been working hard to address these concerns. One of our biggest successes in this area has been the introduction of new "fast track" procedures. These procedures seek to reduce the cost of disciplinary hearings by increasing the number of disciplinary issues which can be dealt with through a fast track process involving the Investigating Committee, dispenser and his or her employer.

In 2002/3 we heard 15 cases through this new fast track system, saving resources in both time and money and allowing for a speedier resolution of issues. This new process means that we now have an extra option open to us for handling complaints:



STREAMLINING THE DISCIPLINARY PROCESSES cont..

In the 15 months to 31 March 2003, 203 people complained to the Hearing Aid Council. This represents a fall of just over 33% over the preceding comparable period. The types of complaints made can be broken down as follows:

Potential Breach of Code of Practice	25
Faulty Aids	47
Unsuitable Aids	70
Aggressive Salesman	8
Lack of After Care	14
Retention of Deposit for professional fee	7
Other Commercial Matters	26
Insurance	1
Dispenser not returned aids	5
TOTAL	203

23 hearing aid dispensers and 5 companies went before the Disciplinary Committee between January 2002 – March 2003. Between them, these people faced 164 charges. Approximately 98% of these charges were found proved and the costs awarded against the dispensers amounted to £102,725.

We are hoping that the number of cases brought to the Disciplinary Committee will further reduce following the introduction of compulsory Continuous Professional Development in 2005. This will mean that all dispensers will regularly have to update their skills and we hope this will have a positive impact on the private hearing aid profession.

THE HAC'S INVESTIGATION AND DISCIPLINARY PROCESS

THE PROCESS

Stage 1 – Initial evaluation of the complaint by the HAC's Registrar.

Every complaint made to the Hearing Aid Council – no matter how small – is evaluated by the HAC's Registrar. Where it is felt that there could be a case to be made, the complaint is passed onto the HAC's Investigating Committee.

Stage 2 – Evaluation of the complaint by the Investigating Committee.

The Investigating Committee is a Committee of the HAC made up of one dispenser, one person from the medical profession and one representative of those with hearing impairment. This Committee deals with each complaint on a case by case basis. They may ask the RHAD to provide further information or may ask the dispenser to attend an informal interview. In addition, they may ask the complainant and dispenser to seek to solve the problem outside the formal process. Where they believe that there remains a case to be answered, they will pass the complaint on to the HAC's Disciplinary Committee.

Stage 3 Hearing and adjudication on the complaint by the Disciplinary Committee.

When a case is put forward to the Disciplinary Committee, evidence is collected including witness statements and written documentation and a hearing is scheduled. There are now two options open to the HAC:

Option 1: Fast Track hearing. The Chairman of the Disciplinary Committee and two other members are presented with a document outlining the case and a set of recommendations for penalties agreed by all parties. Fast track cases have proved particularly successful in dealing with those complaints where there is no dispute about what has happened and where a speedy resolution is therefore possible.

Option 2: Disciplinary hearing. The Chairman of the HAC chairs this meeting and up to nine members of the HAC will sit on this committee, excluding those who sit on the Investigating Committee. The hearings can last from periods of a few hours to a few days as the evidence is presented and witnesses cross-examined as in a court of law. At the end of the hearing, if the charges are proven, the Disciplinary Committee has a range of possible penalties at its disposal including:

- an admonition
- a fine
- suspension from the register for a period of time (which means that the dispenser cannot practice)
- erasure from the register.

In addition, where the case is proven, the Disciplinary Committee has within its power the ability to ask for the defendant to cover the costs of the case. Given the judicial nature of this process, these costs are often substantial.

Stage 4 – Feedback to the Profession.

IMPROVING ACCESSIBILITY

FUTURE PRIORITIES

- To provide a highly regarded governing body for Registered Hearing Aid Dispensers
- To enhance awareness of what the HAC does and its professional reputation amongst RHADs and other relevant bodies
- To raise the profile of the Hearing Aid Council amongst members of the public; those organisations providing assistance to people with impaired hearing; and those in the audiology professions
- To be involved in and promote the public private partnerships working within the NHS.
- To develop a closer working relationship with the media

OUR WORK THIS YEAR

One of our key aims over the past 15 months has been to improve accessibility to the services we provide. If people do not know about us they will not understand the breadth of activities with which we are involved. And if they do not understand what we do it will be difficult for them to access the services we provide.

All members – whether they represent consumer, dispenser or medical/professional interests – are responsible for facilitating accessibility to the HAC's work. However, it is the role of the Public Relations Committee to coordinate our strategy in this area.

Various initiatives spearheaded by the PR Committee in 2002/3 include:

- The HAC's website. Established in 2001 through a grant from the DTI, in the past year the website has continued to grow in popularity, receiving 6428 hits over the past 15 months. As we have received feedback from people accessing the site, we have continued to refine its structure and content. One of the most disappointing issues for us in the last year has been the difficulties we have had in putting a meaningful list of dispenser contact details on the website, although we are hoping to rectify this over the coming year.
- Stakeholder's Meeting. The HAC ran its first Stakeholder's meeting on 12 March 2002. The purpose of this meeting was to encourage all those organisations with an interest in the sale of hearing aids to meet with the Hearing Aid Council to discuss issues of mutual interest. A number of key people attended the meeting, representing dispenser

IMPROVING ACCESSIBILITY cont..

and consumer interests and we felt we had a very useful and productive dialogue. We are therefore hoping to hold another Stakeholder's meeting in 2003/4, with separate sessions for consumer and dispenser groups.

- The launch of HAC Update. To ensure dispensers and other interested bodies are kept up to date at a time when the work of the HAC is developing quickly, in 2003 we produced a new quarterly newsletter. Over the next twelve months we will be able to evaluate the impact of and response to this briefing sheet so that we can decide whether it should be continued.
- HAC posters. To publicise more widely the role of the HAC and particularly its website, we have had 10,000 posters produced and circulated to key organisations such as Trading Standards Councils and Citizen's Advice Bureaux. We have also had the posters translated into Welsh.
- Work with the media. The development of our relationship with the media is slow. Despite this, we are sending out news releases on a regular basis and have started to receive regular enquiries about specific issues. We have yet to achieve air time on radio, in spite of many hours of discussion with programme researchers.

We hope that all of this work will be positive for both consumers and private hearing aid dispensers.

ENSURING AN EFFECTIVE OPERATING FRAMEWORK

FUTURE PRIORITIES:

- To ensure that the Hearing Aid Council maintains an efficient and effective operating framework.
- To reach agreement with the DTI on the allocation of accounting officer responsibilities.
- To continue to monitor the financial consequences of the HAC's Disciplinary Process.
- To audit the developing CPD framework to ensure its financial viability.
- To ensure compliance with Best Practice and NDPB requirements through the appointment of an external qualified accountant as an additional member of the Audit Committee.

OUR WORK THIS YEAR

The Hearing Aid Council is committed to good financial planning and monitoring of resource expenditure. This year, to support the allocation of budgets to individual committees, the HAC established a separate Finance & Audit Committee with the aim of monitoring the Council's operational and financial structure. Any major expenditure or variations from approved budgets are referred by the Registrar in the first instance for consideration by the Finance & Audit Committee which then makes recommendations as appropriate at the quarterly HAC meeting.

There are currently two members of this committee – chaired by Huw Thomas – from the HAC, in addition to the Registrar. The committee is currently seeking a third, independent member.

Over the last year, this Committee has focused on three main areas of work:

- Helping the HAC meet the requirements of Non Departmental Public Body status (which was achieved in April 2003) including changes in our financial reporting arrangements, and the preparation of Corporate and Business Plans.
- Developing a better financial regime to support the HAC's disciplinary processes. This is to avoid undue variation of expenditure from one year to the next.
- Identifying areas where improved procurement procedures might give better value for money.

ENSURING AN EFFECTIVE OPERATING FRAMEWORK cont..

As a result of this, over the past year we feel we have achieved:

- Greater stability in the HAC's budgets.
- Agreement with the DTI on the bulk of changes resulting from NDPB processes.
- A system to ensure that the financial consequences of the disciplinary process are less likely to cause problems for the HAC's accounts.

The requirements of the change to NDPB status have proved more challenging than first appreciated. Nevertheless, good progress was made in developing financial forecasts covering the next three years, and outline corporate and business plans have been prepared.

We have been well supported in this work by the Registrar and his staff. The changes caused by the introduction of improved budgeting and NDPB processes have increased the workload of the Finance and Audit Committee, and the Hearing Aid Council has agreed to some short-term consultancy input over the next year to help us complete the task of developing new procedures to meet the NDPB Accounting Officer obligations.

EXAMINATION RESULTS 2002-2003

TRAINEES' RESULTS

	2002(2) OCT/DEC	2002(1) APR/JUN	2001(2) OCT/DEC	2001(1) APR/JUN	2000(2) OCT/DEC	2000(1) APR/JUN	1999(2) OCT/DEC
Passed	56 (67.5%) ****	79 (71.2%) ***	52 (69.6%) **	48 (69.6%)	28 (70%) *	34 (67%)	32 (73%)
Failed	23 (27.7%)	29 (26.1%)	21 (27.6%)	16 (23.2%)	11 (27.5%)	15 (29%)	11 (25%)
Held Over	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (2.5%)	0 (0%)	0 (0%)
Absent	4 (4.8%) (WITHDREW)	3 (2.7%) (WITHDREW)	3 (4.0%)	5 (47.2%)	0 (0%)	2 (4%) (WITHDREW)	1 (2%)

- * includes 1 pass with overall distinction
- ** includes 3 passes with overall distinction
- *** includes 3 passes with overall distinction
- **** includes 3 passes with overall distinction

APTITUDE TEST RESULTS

	2001(2) OCT/DEC	2001(1) APR/JUN	2000(2) OCT/DEC	2000(1) APR/JUN	1999(2) OCT/DEC	1999(1) APR/JUN	1998(2) OCT/DEC
Passed	3 (33.4%)	2 (33.4%)	6 (54.5%)	2 (50%)	7 (70%)	15 (75%)	8 (67%)
Failed	6 (6.6%)	4 (66.6%)	5 (45%)	2 (50%)	2 (20%)	5 (25%)	4 (33%)
Absent	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (10%) (WITHDREW)	0 (0%)	0 (0%)

A full breakdown of the results is available from the Registrar on request.

EMPLOYERS (at 31/03/2003)

Number of employers registered with the Hearing Aid Council – 155

REGISTERED HEARING AID

Number of registered dispensers – 1199

DISPENSERS (at 31/03/2003)

TRAINEES (at 31/03/2003)

Number of trainees – 293

CALENDAR OF MEETINGS DURING THE YEAR 2003

MONTH	Council	Fast Track Disciplinary Committee	Full Disciplinary Committee	Investigating Committee	Code of Practice Committee
	Regus MK	HAC Offices MK	Regus MK	HAC Offices MK	HAC Offices MK
	10.15am	9.00am	9.00-9.30am	9.00-9.30am	11.00am
JANUARY	-	-	MON 27 TUES 28 TUES 29	-	-
FEBRUARY	-	-	MON 18 TUES 11 WED 12 THURS 13	TUES 4	TUES 25
MARCH	TUES 25	-	TUES 18 WED 19 THURS 20 FRI 21	-	-
APRIL	-	WED 23	-	TUES 1	-
MAY	-	-	-	TUES 20	TUES 13
JUNE	MON 30	-	MON 23 TUES 24 THURS 26 FRI 27	-	-
JULY	-	WED 2	-	TUES 1	-
AUGUST	-	-	-	-	-
SEPTEMBER	TUES 23	WED 17	MON 29	FRI 12	TUES 9
OCTOBER	-	-	WED 1 THURS 2	-	-
NOVEMBER	TUES 18	WED 19	-	FRI 7	TUES 11
DECEMBER	-	-	MON 8 TUES 9 WED 10 THURS 11	-	-

VENUES

- | | | |
|--|---------------|---------------|
| 1. Council Meetings | Milton Keynes | (Regus) |
| 2. Investigating Committee | Milton Keynes | (HAC Offices) |
| 3. Code of Practice Committee | Milton Keynes | (HAC Offices) |
| 4. Examining Body | Milton Keynes | (HAC Offices) |
| 5. Audit Committee | Milton Keynes | (HAC Offices) |
| 6. Public Relations Committee | Milton Keynes | (HAC Offices) |
| 7. Full - Disciplinary Committee | Milton Keynes | (Regus) |
| 8. Fast Track - Disciplinary Committee | Milton Keynes | (HAC Offices) |

HAC HEARING AID COUNCIL

(INCORPORATED UNDER THE HEARING AID COUNCIL ACT 1968
AS AMENDED BY THE HEARING AID COUNCIL (AMENDMENT ACT 1989))

Examining Committee HAC Offices MK or Regus MK	Examinations Practicals Leicester City FC Written - National Hockey Stadium MK	Public Relations Committee HAC Offices MK 2.00pm	Audit Committee HAC Offices MK 2.00pm	Joint Examining Body with BSHAA and Trainers (Various) 11.00am	Joint Council and Stakeholders Including BSHAA (Various)
-	-	-	-	-	-
THURS 6 Candidates Applications	-	TUES 25	TUES 25	-	-
-	-	-	-	FRI 14	-
MON 28 Marking Schemes	WED 2 (Written)	-	-	-	-
-	-	TUES 13	TUES 13	-	-
FRI 20 End of Practical Exams 2.00pm (Leicester)	WED 2 (Written)	-	-	-	-
-	-	-	-	-	-
THURS 7 Candidates' Applications	-	-	-	-	-
-	-	TUES 9	TUES 9	WED 10	-
TUES 14 Marking Scheme	TUES 7 (Written)	-	-	-	-
FRI 28 End of Practical Exams (Leicester) 2.00pm	MON 24 - FRI 28 Inclusive (Practical)	TUES 11	TUES 11	-	-
-	-	-	-	-	-

REPORT OF THE MEMBERS OF COUNCIL (for the period ended 31 March 2003)

PRINCIPAL ACTIVITIES

The Council presents its report together with the financial statements for the period ended 31 March 2003.

The Council, which is constituted under the Hearing Aid Council Act 1968, is principally engaged in the registration of persons engaged in the supply of hearing aids, advising on the training of persons engaged in such businesses and the regulation of trade practices associated with this business.

BUSINESS REVIEW

Overall the financial result for the period was a surplus of £231,433 (2001: deficit of £46,997). However this was only achieved after receiving grants from the DTI amounting to £162,086.

The members of the Council consider it a priority to achieve a regular surplus to enable reserves to be established which will be adequate to ensure financial stability for the Council in the future.

During the period, the HAC established an Audit Committee in order to achieve the highest standards of financial control.

FUTURE DEVELOPMENTS

It has been agreed that, with effect from 1 April 2003, the Council has been reconfirmed as an Executive Non-Departmental Public Body administered by the Department of Trade and Industry. As a consequence of this, the HAC will in future adopt the financial reporting disciplines required by the new status.

MEMBERS OF COUNCIL

The members of Council in office during the period are listed below.
All served throughout the period except where stated.

Mr C Hughes Chairman (appointed 1 September 2003)

Mr J Raine Chairman (retired 31 August 2003)

Mr T Corcoran

Mr M Georgevic

Miss M Hughes

Dr J Irwin

Mr J Ormerod

Mr P Ormerod

Mrs C Pearce

Professor D Prasher

Mrs V Skeels

Mr H Thomas

Ms D Yates

Dr R Yeoh (retired 31 December 2002)

Mr M Hawthorne (appointed 1 January 2003)

REPORT OF THE MEMBERS OF COUNCIL (for the period ended 31 March 2003) cont..

STATUS OF

HEARING AID COUNCIL

The Hearing Aid Council is established under the Hearing Aid Council Act 1968 and is administered by the Department of Trade and Industry.

RESPONSIBILITIES OF

MEMBERS OF COUNCIL

The Members of HAC are responsible for preparing the financial statements, for each financial period, which give a true and fair view of the state of affairs of the Council and of the profit or loss of the Council for that period. In preparing those financial statements, the Members of Council are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Council will continue in business.

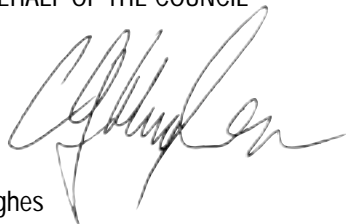
The Members of the HAC are responsible for maintaining proper accounting records, for safeguarding the assets of the Council and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PAYMENT POLICY

AND PRACTICE

It is the Council's policy to follow the Government Department's Payment Performance Policy, in relation to the payment of its suppliers for the forthcoming period. The Council has standard payment terms of 30 days.

ON BEHALF OF THE COUNCIL



C Hughes
Chairman

14th October 2003

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE HEARING AID COUNCIL

RESPECTIVE
RESPONSIBILITIES OF
MEMBERS OF THE HAC

We have audited the financial statements of The Hearing Aid Council for the period ended 31 March 2003, which comprise the principal accounting policies, the income and expenditure account, the balance sheet and notes 1 to 13. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Members of Council as a body. Our audit work has been undertaken so that we might state to the Members of the Council those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the Members of Council as a body for our audit work, for this report, or for the opinions we have formed.

The responsibilities of the Members of the HAC for preparing this report and the financial statements in accordance with applicable law and United Kingdom accounting standards are set out in the statement of their responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Hearing Aid Council Act 1968. We also report to you if, in our opinion, the members' report is not consistent with the financial statements, if the Council has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding members' remuneration and transactions with the Council is not disclosed.

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

BASIS OF OPINION

We conducted our audit in accordance with the United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Members of Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE HEARING AID COUNCIL cont..

OPINION

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

In our opinion, the financial statements give a true and fair view of the state of the Council's affairs at 31 March 2003 and of its surplus for the period then ended and have been properly prepared in accordance with the requirements of the Hearing Aid Council Act 1968.



Grant Thornton
Chartered Accountants
Registered Auditors
Central Milton Keynes
20th October 2003

INCOME AND EXPENDITURE ACCOUNTS (for the period ended 31 March 2003)

	Note	2003 (15 Months)		2001	
		£	£	£	£
GROSS INCOME					
From operations	2		532,813		269,108
Grant Aid	1		162,086		38,160
			694,899		307,268
GROSS EXPENDITURE					
Operations		396,459		302,642	
Administration		76,844		55,509	
			473,303		358,151
Operating Surplus/(Deficit)	3		221,596		(50,883)
Net interest receivable			9,511		4,370
Surplus/(Deficit) before taxation			231,107		(46,513)
Tax Credit/(Charge)			326		(484)
Surplus/(Deficit) for the period			231,433		(46,997)

There were no recognised gains or losses other than the surplus/(deficit) for the financial period.

BALANCE SHEET (at 31 March 2003)

	Note	2003 (15 Months)		2001	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	6		52,270		14,059
CURRENT ASSETS					
Debtors	7	92,016		62,439	
Cash		401,281		77,119	
		493,297		139,558	
CREDITORS:					
amounts falling due within one year	8	341,377		208,774	
NET CURRENT ASSETS/(LIABILITIES)			151,920		(69,216)
TOTAL ASSETS LESS CURRENT LIABILITIES			204,190		(55,157)
DEFERRED INCOME			(51,922)		(24,008)
	9		152,268		(79,165)
RESERVES			152,268		(79,165)

The financial statements were approved by the council on 14 October 2003



C Hughes CHAIRMAN



C Reid FCA REGISTRAR

The accompanying accounting policies and notes form an integral part of these financial statements.

PRINCIPAL ACCOUNTING POLICIES (for the period ended 31 March 2003)

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards as modified by the executive Non-Department Public Bodies Annual Reports and Accounts Guidelines and under the historical cost method of accounting.

The principal accounting policies of the Council are set out below and have remained unchanged over the period.

GRANT-IN-AID

The element of Grant-In-Aid relating to revenue is credited to the income and expenditure account in the year to which it relates. Any Grant-In-Aid received in respect of future periods is credited to and included within deferred income.

The element of Grant-In-Aid relating to capital expenditure is credited to a deferred income account and is released to the profit and loss account by equal annual instalments over the expected useful lives of the relevant assets.

OTHER INCOME

Retention and registration fees are credited to the income and expenditure account in the period to which they relate. Any income received in respect of future periods is credited to and included within fees in advance.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost of fixed assets over their estimated useful economic lives on a straight line basis over the following periods:

- Fixtures and fittings 20 years
- Office equipment 20 years
- Computer systems 3 years

NOTES TO THE FINANCIAL STATEMENTS (for the period ended 31 March 2003)

		2003 £	2001 £
1. GRANT IN AID	Grant in Aid	190,000	62,168
	Transfer to deferred income	27,914	24,008
	Income and expenditure account	162,086	38,160
	Grants received in the year which remain unspent at the year end are transferred to deferred income.		
2. INCOME FROM OPERATIONS	Income from operations is categorised as follows:		
	Registration and retention fees	453,483	218,293
	Examination fees	78,230	50,265
	Other	1,162	10,894
		532,875	279,452
3. OPERATING RESULT BEFORE TAXATION	The operating result before taxation is stated after charging:		
	Depreciation	5,577	4,624
	Auditors' remuneration	1,028	823

NOTES TO THE FINANCIAL STATEMENTS (for the period ended 31 March 2003) cont..

4. STAFF COSTS

The operation and administration of the Council affairs are staffed by employees of Reid & Co Registrars Limited. Accordingly, there are no direct employees.

Council members receive a daily attendance allowance and reimbursement of expenses which in total amounted to £58,600 (2001: £58,125).

5. TAXATION

The tax (credit)/charge is based on the bank interest received in the period as follows:

	2003 £	2001 £
Amounts due in respect of the current period at 19% (over)/under provision in respect of the prior period	(326)	491
	-	(7)
	(326)	484

6. TANGIBLE FIXED ASSETS

	Office equipment £	Computer systems £	Total £
Cost			
At 1 January 2002	21,794	-	21,794
Additions	3,549	41,840	45,389
Disposals	(1,912)	-	(1,912)
At 31 March 2003	23,431	41,840	65,271
Depreciation			
At 1 January 2002	7,735	-	7,735
Provided in the period	218	5,359	5,577
Eliminated on disposal	(311)	-	(311)
At 31 March 2003	7,642	5,359	13,001
Net book amount at 31 March 2003	15,789	36,481	52,270
Net book amount at 31 December 2001	14,059	-	14,059

NOTES TO THE FINANCIAL STATEMENTS (for the period ended 31 March 2003) *cont..*

7. DEBTORS		2003 £	2001 £
	Trade debtors	1,912	-
	Prepayments	8,098	-
	Recovery of costs and fines	80,400	62,439
	Corporation tax refund	1,606	-
		92,016	62,439

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE PERIOD		2003	2001
	Trade creditors	46,623	55,878
	Fees in advance	247,725	128,773
	Exam fees received in advance	36,330	-
	Accruals	10,699	24,123
		341,377	208,774

9. DEFFERED INCOME	Total £	Website development £	Fixed assets £
	24,008	11,855	12,153
	27,914	(2,203)	30,117
	51,922	9,652	42,270

The above relates to the unspent portion of grants received.

10. RESERVES	£
	(79,165)
	231,433
	152,268

The Council expects that the reserves will be utilised on substantial expenditure on Investigating and Disciplinary matters.

NOTES TO THE FINANCIAL STATEMENTS (for the period ended 31 March 2003) cont..

11. CAPITAL COMMITMENTS

The Council had no capital commitments at either 31 December 2001 or 31 March 2003.

12. CONTINGENT LIABILITIES

The Council had no contingent liabilities at either 31 December 2001 or 31 March 2003.

13. TRANSACTIONS WITH REGISTRAR

Under a contract with effect from 1 March 1995, Mr C Reid was appointed Registrar to the Council. Reid & Co Registrars Limited, a company wholly owned by Mr Reid supplied administrative support services to the Registrar during the year with a value including VAT of £95,675 (2001: £46,668).

INCOME AND EXPENDITURE ACCOUNT (for the period ended 31 March 2003)

	2003		2001	
	£	£	£	£
INCOME				
Registration and retention fees		453,483		218,293
Examination fees		78,230		50,265
Print outs		1,100		550
Interest receivable		9,511		4,370
DTI Grant		162,086		38,160
		<u>704,410</u>		<u>311,638</u>
EXPENDITURE				
OPERATION COSTS				
Registrars fees	49,766		49,668	
Administration fee	95,675		49,668	
Meetings and Council members' fees	58,600		58,125	
Examination costs	80,824		56,555	
Disciplinary committee & legal costs – net of cost recovery	107,844		88,626	
Contribution to BSHAA training courses	3,750		3,000	
		<u>(396,459)</u>		<u>(302,642)</u>
ADMINISTRATION COSTS				
Computer charges before grants	16,644		6,448	
Printing and stationery	39,123		28,929	
Postage	7,142		6,039	
Telephone	3,538		1,541	
Audit fee	1,028		823	
Depreciation	5,577		4,624	
Subscriptions and publications	0		4,372	
Bank charges and interest	826		1,157	
Insurance	1,365		984	
Loss on disposal of assets	1,601		592	
		<u>(76,844)</u>		<u>(55,509)</u>
SURPLUS BEFORE TAXATION		<u>231,107</u>		<u>(46,513)</u>

HAC

Hearing Aid Council (HAC)
Witan Court, 305 Upper Fourth Street,
Central Milton Keynes, MK9 1EH
Telephone: 01908 235700
Fax: 01908 233770
e-mail: hac@thehearingaidcouncil.org.uk
Website: www.thehearingaidcouncil.org.uk