

Finance Department – November 2008 Report

General

Since the last Committee Meeting, the Finance department has produced the September Management Accounts and is currently working on preparing the October Management Accounts.

Supplier payments

At the end of September, at least 99% by value of the £383k Creditor payments (September Aged Creditor Listing) are in the 30 days or less category.

Fee adjustments and income receipts handling

At 29 October, there was a 1 day backlog in Registrant direct debit cancellations and amendments. We had about 0.5 days processing backlog on rejected payments/refunds and no backlog on mid-cycle lapsing of Registrants. The banking of Registrant cheques is up to date and there is about a 2 day backlog on credit card reconciliations.

Income Collection cycle

Direct debit collections of Registrants' fees (cover at least 79% of renewal fees by value) are done by the Finance Dept, with collections made two months in advance. AS, BS and ODP collections occurred in early October. DT collections are scheduled for early November. Most of the income comprises Renewal fees collected.

Funds under Management

At 27 October, the Business Reserve account balance was £391k, earning an interest rate of 1.75% per annum. A further £5.6M was invested in the Special Interest-bearing Account (SIBA) on a rolling monthly basis, earning 4.5% per annum. Refer separate paper.

The value of HPC's investment portfolio (excluding £182k portfolio cash) at the end of September was £1.49M. The investment portfolio value including cash was £1.672M. This compares with £1.99M at 30 September 2007. Refer separate paper.

Regarding the Reserves Policy, three average 2008/09 budgeted months of Operating Expenses totalled £3.37M. At the end of September, the sum of Investments and Working Capital totalled £5.8M.

Pensions

In October, there were 58 active members in the Friends Provident Scheme and no active members in the Capita Flexiplan Scheme, excluding the "notional" members. Note there are also approx 26 ex employees (CPSM & HPC employees during 1994-07) who have money remaining in the Flexiplan scheme.

Refer separate papers for an update on the closure of the Flexiplan scheme and old CPSM scheme.

Employee training and staffing levels

Excluding the Transaction Officer vacancy, there are seven full-time permanent & fixed term employees in the dept. Temp staff are periodically hired to cover for staff on annual or sick leave and to help achieve Finance dept service level targets.

Significant Financial Projects/Issues (next few months)

- Hire a permanent Transaction Officer
- Assist PKF in completing the Finance systems internal audit
- Annual Budget planning including Projects
- Complete the 9 month Financial Reforecast
- Complete Fees Project for 1 April launch
- Investigate outsourcing payroll function

Procurement Report

Following a six month trial, Co-operative Travel Management were appointed to replace Portman from 7 November.

Work is in progress on developing a generic supplier contract and updating the website with procurement guidance.

	2008						2009						Total to YTD £000	Budget YTD £000	Variance £000	Annual Budget £000
	April £000	May £000	Jun £000	Jul £000	Aug £000	Sep £000	Oct £000	Nov £000	Dec £000	Jan £000	Feb £000	Mar £000				
INCOME																
Registration Income	1,098	965	1,164	1,049	1,173	1,171							6,620	6,799	(178)	13,730
Miscellaneous Income	0	0	0	0	0	0							0	0	0	0
TOTAL INCOME*	1,098	965	1,164	1,049	1,173	1,171							6,620	6,799	(178)	13,730
EXPENDITURE																
Approvals & Monitoring	40	64	57	29	42	45							277	296	(19)	661
Chief Executive	28	17	29	27	27	73							201	134	66	278
Council & Committees	0	18	96	12	23	42							190	229	(39)	547
Communications	22	78	83	79	55	94							411	452	(42)	1,020
Facilities Management	92	59	96	102	65	31							444	495	(50)	910
Finance	47	75	50	65	38	42							316	296	21	570
Fitness to Practise	140	664	474	236	357	319							2,190	2,474	(284)	4,622
Human Resources & Partners	29	66	78	38	45	81							336	381	(45)	662
IT Department	69	86	74	67	72	69							437	567	(130)	1,137
Operations Office	27	32	40	34	32	33							197	196	1	375
Policy & Standards	18	19	65	35	21	21							179	196	(17)	384
President	0	7	6	4	1	8							26	24	1	49
Major Projects	0	24	3	2	1	3							32	64	(33)	263
Registration	87	174	124	103	155	124							767	853	(87)	1,714
Secretariat	14	26	20	19	12	24							114	143	(29)	293
TOTAL EXPENDITURE	613	1,409	1,294	851	943	1,008							6,119	6,801	(683)	13,485
OPERATING SURPLUS/(DEFICIT)	485	(444)	(130)	198	230	163							502	(3)	504	245

* Total Income is excluding investment income

Note: No accruals have been posted for April

	2008						2009						Total to Sep £000	Budget Sep £000	Total Expenditure £000
	April £000	May £000	Jun £000	Jul £000	Aug £000	Sep £000	Oct £000	Nov £000	Dec £000	Jan £000	Feb £000	Mar £000			
EXPENDITURE															
Approvals & Monitoring	(7)	12	(2)	(22)	(2)	3							(19)	296	277
Chief Executive	8	(4)	7	1	7	47							66	134	201
Council, Committees & PLG	(27)	(12)	39	(38)	17	(18)							(39)	229	190
Communications	(11)	(7)	17	9	(53)	4							(42)	452	411
Facilities Manangement	28	(16)	(32)	13	(6)	(38)							(50)	495	444
Finance	(18)	43	(3)	18	(17)	(3)							21	296	316
Fitness to Practise	(232)	159	8	(129)	(7)	(82)							(284)	2,474	2,190
Human Resources & Partners	(2)	7	(30)	(43)	12	12							(45)	381	336
IT Department	14	(4)	(33)	(28)	(56)	(23)							(130)	567	437
Operations Office	(12)	(2)	6	4	4	2							1	196	197
Policy & Standards	(1)	(3)	(24)	11	1	(1)							(17)	196	179
President	1	(2)	2	0	(3)	3							1	24	26
Major Projects	(44)	16	2	1	(3)	(4)							(33)	64	32
Registration	(59)	32	(20)	(46)	18	(12)							(87)	853	767
Secretariat	(4)	0	(4)	(6)	(13)	(1)							(29)	143	114
TOTAL BUDGET VARIANCE	(366)	219	(67)	(253)	(102)	(114)							(683)	6,801	6,119
TOTAL MONTHLY BUDGET	979	1,190	1,361	1,104	1,045	1,122									6,801
TOTAL EXPENDITURE	613	1,409	1,294	851	943	1,008									6,119

* Total Income is excluding investment income

	<i>Actual Mar 08 £000</i>	2008							2009				<i>Budget Mar 09 £000</i>	
		April £000	May £000	Jun £000	Jul £000	Aug £000	Sep £000	Oct £000	Nov £000	Dec £000	Jan £000	Feb £000	Mar £000	
FIXED ASSETS														
Tangible Fixed Assets	3,756	3,933	3,891	3,903	3,889	3,957	4,076							6,278
Investments	1,528	1,710	1,715	1,604	1,554	1,768	1,640							1,554
TOTAL FIXED ASSETS	5,284	5,643	5,606	5,507	5,443	5,725	5,716	0	0	0	0	0	0	7,832
CURRENT ASSETS														
Debtors & Prepayments	213	335	358	283	273	245	203							353
Bank & Cash	4,899	5,098	4,308	3,786	4,579	4,288	5,677							5,353
CURRENT LIABILITIES														
Creditors and accrued expenses	(2,103)	(1,706)	(1,864)	(1,663)	(1,594)	(1,663)	(1,719)							(2,363)
WORKING CAPITAL	3,009	3,727	2,802	2,406	3,258	2,870	4,161	0	0	0	0	0	0	3,343
LOANS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred income	(6,870)	(7,377)	(6,777)	(6,502)	(7,090)	(6,687)	(7,767)							(7,763)
NET ASSETS	1,423	1,993	1,631	1,411	1,611	1,908	2,110	0	0	0	0	0	0	3,412
Represented by:														
Revaluation Reserve	422	422	422	422	422	422	422							651
Income and expenditure account	1,001	1,571	1,209	989	1,189	1,486	1,688							2,761
	1,423	1,993	1,631	1,411	1,611	1,908	2,110	0	0	0	0	0	0	3,412

* Balance sheet includes investment income

	Actual Mar 08 £000	2008											Total September £000	
		April £000	May £000	Jun £000	Jul £000	Aug £000	Sep £000	Oct £000	Nov £000	Dec £000	2009			
		Jan £000	Feb £000	Mar £000										
Opening Balance		4,898	5,098	4,308	3,786	4,580	4,288	5,676	5,676	5,676	5,676	5,676	5,676	
Registration Income		1,098	964	1,165	1,049	1,174	1,167							6,617
Investment Income		2	1	17	45	6	54							125
Investment Sales		35	44	38	39	4	50							210
Deferred Income Movements		503	(477)	(393)	589	(404)	1,080							898
Department of Health funding		0	0	74	0	0	0							74
Bank Loan														0
Miscellaneous Income														0
Total Cash Receipts		1,638	532	901	1,722	780	2,351	0	0	0	0	0	0	7,924
Expenditure		608	1,416	1,291	851	944	1,008							6,118
Depreciation		(24)	(25)	(24)	(25)	(25)	(18)							(141)
Asset disposal / writeoff		0	0	0	0	0	0							0
Aged Cred / Accrual Movements		292	(22)	169	70	(70)	(58)							381
Debtor Movements		225	(62)	(93)	(11)	(28)	(43)							(12)
Payments to Creditors		1,101	1,307	1,343	885	821	889	0	0	0	0	0	0	6,346
Capital Expenditure		201	(17)	36	11	93	138							462
Capital write-off		0	0	0	0	0	0							0
Investment Purchases		136	32	44	32	158	(64)							338
Loan Repayments		0	0											0
Other Payments		337	15	80	43	251	74	0	0	0	0	0	0	800
Closing Balance	4,898	5,098	4,308	3,786	4,580	4,288	5,676							
Budgeted Closing Balance														
Variance		5,098	4,308	3,786	4,580	4,288	5,676							

* Cash flow includes investment income