

FINANCE AND OFFICE SERVICES DEPT REPORTS FOR THE FINANCE AND RESOURCES COMMITTEE FOR 27th April 2006

General

Since the last Finance & Resources Committee Meeting, the Finance department has produced the February YTD Management Accounts and is preparing publication of the March YTD monthly accounts.

March 05 Year End

Final accounts now signed by the President and Chief Executive/Accounting Officer and have been forwarded to both sets of auditors (Baker Tilly and the National Audit Office) for signing, forwarding to the Privy Council and tabling before Parliament.

The March 2005 accounts included PAYE/NI provisions, fraud costs of £120k and audit fees of £36k. Any potential recoveries of fraud-related costs from our ex-auditors are still under negotiation with their lawyers.

Supplier payments

At 28 February, at least 99% by value of the Accounts Payable (authorised suppliers) are in the 30 days or less category in the Aged Creditors Listing. The payment date schedule is posted on the HPC intranet (for the next 12 mths) and payment runs are run approx every two weeks to ensure prompt invoice processing.

Fee adjustments and income receipts handling

At the time of writing (13th April), there is a backlog in Registrant direct debit cancellations and amendments of about one processing day. We have about nil days processing backlog on rejected payments/refunds and one day backlog on mid-cycle lapsing of Registrants. Banking of Registrant cheques is up to date, while credit card reconciliations are about half a day day behind.

Income Collection cycle

Direct debit collections of Registrants' fees (cover more than 80% of renewal fees by value) are done by the Finance Dept, with collections made two months in advance. PH an OT collections occurred in March. Further fee collections scheduled in April are for BS and AS professions. Most of the income comprises Renewal fees collected.

Insurance and Risk Management

A ten percent reduction in the overall insurance premium was recently provided by the existing insurance broker, for insurance coverage for the year commencing 1st April.

The Risk Assessment Register was approved by the Audit Committee in March.

Funds under Management

At 13th April, the Business Reserve account balance was £1.5M, earning an interest rate of approx 2% per annum. A further £3.2M is invested in the Money Market on a rolling fortnightly basis, earning 4.4% per annum.

There are no bank loans outstanding. Approx £1.5M is also invested with Carr Sheppards Crosthwaite, professional fund managers in a fund portfolio.

We are in compliance with the Reserves Policy level Committee (approved in November 2005).

Date
2006-02-23

Ver.
a

Dept/Cmte
FIN

Doc Type
AGD

Title
DeptRept22ndFeb2006

Status
Draft
DD: None

Int. Aud.
Public
RD: None

Employee Training

Three Finance staff are enrolled in part-time, after hours CIMA courses (professional accountancy qualification) at present. Staff also attend Tax and Payroll update courses as required.

Significant Financial Projects/Issues (next few months)

- Publication of the 31st March 2005 accounts in the Annual Report and preparation for the 2005/06 Financial Year End.
- Implementation of various Employment tax changes (contracts and payment) - refer separate paper.
- De-registration of 22-26 Stannary St for VAT purposes.
- Obtaining Council and Parliamentary approval to raise the International Scrutiny Fee to £350 per application from 1st January 2007.
- Avoid a significant backlog of Registrant payment rejections, balance adjustments and mid-cycle lapses building up.
- Action outstanding insurance issues, including Fleet-risk assessment (vehicle drivers).
- Update the Financial Procedures manual, reconcile SAGE suppliers to authorised supplier list and encourage greater role cross-training within the department, to minimise person risk.

Employee Issues

There is a team of five full-time employees in the department. Person-cover risk is an ongoing issue while financial procedure documentation is outdated. Temp staff are periodically hired to cover for permanent staff on leave and to help clear work backlogs (to maintain service levels). The Management Accountant has resigned and will be leaving HPC in mid May.

Other

- Residual AUDDIS testing is still occurring, at the time of writing.

Office Services Report

Staffing

The temp Office Manager, Stephen Hall is in post for at least a two month period, replacing Deborah Farley. The search for someone to fill the permanent role has commenced and will be advertised externally as well as internally. The Office Manager manages 2 full-time Receptionists, a part-time Post Room Officer, part-time Building Maintenance Officer and part-time Catering/Tea person. The intention is to replace the temporary catering/tea person with a permanent person shortly.

Procurement & Logistics

- New cleaning contractors, security swipe card system, panic alarm units from end of April.
- Redecoration of the main traffic areas and Park House Reception completed.

Health and Safety (refer also Health and Safety paper)

- A Disability Discrimination Act 2005 (DDA) compliance audit has been arranged shortly for HPC premises.
- A Fire Risk assessment of HPC premises is arranged for late April. Fire wardens and deputies appointed/updated and training arranged.
- A Display Screen Equipment (DSE) assessment programme (onsite and regular homeworkers) to be arranged shortly.