

**HEALTH PROFESSIONS COUNCIL
FINANCE AND RESOURCES COMMITTEE**

MINUTES

**of the 10th Meeting of the Finance and Resources Committee held at Novotel,
53-61 Southwark Bridge Road, London, SE1 9HH on Tuesday 22nd July 2003**

PRESENT

Mr Colin Lea, Chairman
Professor Norma Brook
Mr Robert Clegg
Professor John Harper
Mr Keith M Ross
Mrs Jackie Stark
Mrs Barbara Stuart
Mr Neil Willis
Dr Sandy Yule

Mr Daniel Ross (co-opted)

Mr Marc Seale (Chief Executive and Registrar)
Mr Paul Baker FCA (Secretary)

In attendance

Mr Roy Dunn (Director – Information) (Items 1 – 7)
Mr Richard Ballard (Management Accountant)

FIN02/014 APOLOGIES FOR ABSENCE

14.1 Apologies had been received from Mr Michael Barham and Mr William Munro.

14.2 The Chairman welcomed Mr Roy Dunn (Director – Information) and Mr Richard Ballard (Management Accountant) to the meeting.

FIN02/015 APPROVAL OF AGENDA

15.1 The Draft Agenda was adopted as the Agenda for the Meeting.

FIN02/016 APPROVAL OF MINUTES OF THE MEETING HELD ON 20TH MAY 2003

16.1 It was agreed that the minutes of the ninth meeting of the Health Professions Council Finance and Resources Committee be confirmed as a true record and signed by the Chairman.

FIN02/017 MATTERS ARISING

17.1 The Secretary reported that it was intended that Disaster Recovery Plan would be put before the Committee at its next meeting.

ACTION: ROY DUNN AND DEBORAH FARLEY

17.2 The Secretary reported that all the legal processes in connection with the overdraft facility were due to be completed the previous day and, as long as all the Bank's requirements were now satisfied, we would be able to start using the facility during the current week. It was agreed that once the overdraft facility was in place subsequent payments to creditors that were made to bring accounts up to date should be accompanied by a note apologising for the tardiness of payment and indicating that such delays would not be likely in the future.

ACTION: PAUL BAKER

17.3 Work on the Staff Handbook was not complete due to the excessive amount of work currently being undertaken by the HR Department with regard to the recruitment of partners. It was anticipated that the Handbook will be available for the Committee to review at its next meeting.

ACTION: DENISE THOMPSON

17.4 It was noted that the recommendation from BDO Stoy Hayward for contracts of employment for staff to include work for the Professions Supplementary to Medicine Charitable Trust had not yet been implemented. It was agreed that this should happen as soon as possible in order to mitigate the potential VAT risk under the current contract.

ACTION: PAUL BAKER & DENISE THOMPSON

17.5 There were no further matters arising that were not otherwise covered in the agenda.

FIN02/018 AUDIT COMMITTEE

18.1 The Minutes of the Audit Committee Meeting held on 20th May were noted and approved.

18.2 It was noted that grant income in respect of last year had now been received and that BDO Stoy Hayward had been happy to sign their opinion on the accounts.

18.3 It was noted that Council had subsequently agreed to the setting of tendering limits proposed at the last meeting.

18.4 Details of the meeting held prior to the Finance and Resources Committee were reported by Dr Sandy Yule, the Chairman of the Committee.

- 18.5 The main purpose of the meeting had been to note the extra work generated by the Accounts Direction and the National Audit Office and to review the Internal Audit Work to be undertaken in the next few months on Payroll and Income from Registrants through the LISA system.

FIN02/019 INFORMATION DEPARTMENT REPORT

- 19.1 The Director of Information made a presentation which covered the subjects of IT Strategy, ISO Accreditation, Data Protection and Freedom of Information, Management Information, and Operations (including LISA, Bi-Application Registration Transactions (BART), Management Operational Extracts (MOE), legal and HR systems, Resilience and Redundancy (Disaster recovery options)).
- 19.2 An IT Strategy for implementation post-April 2004 would be drafted by the Executive and presented to the Finance & Resources Committee in due course.

ACTION: ROY DUNN

FIN02/020 BUDGET (VERSION 3) FOR THE YEAR ENDING 31ST MARCH 2004

- 20.1 The Revised Budget for 2003/4 was presented and the Committee noted the changes from the previous version, which included a reduction in Income from Registrants due to the later than expected fee change from £22 per annum to £60 per annum, a Revenue grant from the Department Health of £1,030,000. Total income was now £7,517,000 (previously £7,167,000). Expenditure now totalled £8,162,000 (formerly £7,815,000). The major increases had been within Education and Policy (up by £171,000), IT and Project Management (up by £299,000) and Legal Services (up by £109,000). Reductions were evident in Operations (down by £152,000) and Communications (down by £280,000).
- 20.2 It was AGREED that the operating expenditure should be reduced by £100,000 to compensate for the risk that income from registrants might not reach budgeted levels due to the introduction of the new Rules.
- 20.3 The overall budget deficit disclosed (excluding unrealised gains/losses) was £645,000. This budget was APPROVED subject to a reduction in costs of £100,000 and a revision of the total deficit to £545,000.

SUBJECT TO COUNCIL RATIFICATION

FIN02/021 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2003

- 21.1 The Committee noted the final published versions of the Financial Statements, which would be included in the Annual Report. There had been no change to the result disclosed in the original version but there had been a significant number of additional disclosures required by the Accounts Direction and the National Audit Office. The Financial Statements had been finally signed by the relevant parties by 14th July.

FIN02/022 MANAGEMENT ACCOUNTS FOR THE 3 MONTHS ENDED 30TH JUNE 2003

22.1 The Committee noted the Commentary and Management Accounts which had previously been circulated. The deficit for the 2 months was £349,000 which was £206,000 better than the budget of £555,000. The results were further enhanced by unrealised gains on investments of £152,000.

22.2 The Committee noted the tabled Management Accounts for the 3 months to 30th June, which showed a deficit of £524,000 against a budgeted deficit of £685,000, a favourable variance of £161,000. The results were further enhanced by unrealised gains on investments of £164,000. A commentary would be circulated with the Minutes.

FIN02/023 INVESTMENTS – REPORT FOR THE 3 MONTHS ENDED 30TH JUNE 2003

23.1 The report from Mr James Minett of Carr Sheppards Crosthwaite was NOTED and the Committee was pleased to learn of the increase in the valuation of the fund in the past quarter.

FIN02/024 ANY OTHER BUSINESS

24.1 There was no Any Other Business

FIN02/025 DATE AND TIME OF NEXT MEETING

25.1 The next meeting was confirmed as Tuesday 23rd September 2003 at 11 a.m. in Park House.

The Committee resolved that the next section of the meeting should be held in private because publicity would be prejudicial to the public interest, by reason of the confidential nature of the business transacted.

Signed (Chairman)

Date