

HEALTH PROFESSIONS COUNCIL

Finance & Resources Committee

28th April 2005

8 – COMMITTEE REPORT FOR ANNUAL REPORT

EXECUTIVE SUMMARY AND RECOMMENDATIONS

INTRODUCTION

The Committee has been asked to approve the Committee Report to go in the HPC's Annual Report 2004/5. This report was jointly prepared and agreed by the Chairman and Secretary.

DECISION

That the Committee approves the Committee Report for inclusion in the Annual Report.

BACKGROUND INFORMATION

None

RESOURCE IMPLICATIONS

None

FINANCIAL IMPLICATIONS

None

BACKGROUND PAPERS

See draft Report.

APPENDICES

None

Finance and Resources Committee

The Finance and Resources Committee comprises twelve members and met seven times during the year, the majority of members attending at least five times. The Committee also sat once as the Remuneration Committee.

The primary role of the committee is to monitor the finances of the organisation on behalf of Council but its work also covers Human Resources, Information and IT and Office Services. It also has responsibility for ensuring that appropriate and robust financial and accounting systems are place.

During the year the Committee reviewed the various drafts of the financial statements for the year ended 31 March 2004, which eventually received clean audit opinions from the joint auditors and were laid before Parliament, the monthly management accounts which reported performance against budget throughout the year, the ongoing maintenance of the 5-year financial plan and the prospective budget for the year 2005/6. Quarterly valuations and commentaries received from the investment managers, Carr Sheppards Crosthwaite Limited, which showed a healthy increase in valuation through the year, were also reviewed.

The financial results for the year and comment thereon are shown elsewhere in this Annual Report but the committee noted that, while the income budget was attained, costs had overrun, especially on the consultation events, recruitment and training of partners and legal costs, especially on fitness to practise hearings and registration appeals. Consequently the original budget was not met, although some funds were transferred to Reserves. The committee recommended a reserves policy (to attain reserves equal to three month's operational costs) to Council and the policy has now been adopted.

The half-yearly production of a Risk Assessment Document was monitored by the Committee. The Audit Committee, a sub-committee of the Finance and Resources Committee, monitors the financial risks and reviews the detailed work of the external and internal auditors. It will take over the whole of the monitoring of risk in the new year.

The committee received departmental reports from all the relevant departmental managers.

Finance regularly reported on the cash situation had which improved considerably since the previous year. Negotiations took place with the bank to enhance interest rates by moving from a business reserve account to a special interest account and the organisation has also taken out a £1,000,000 cash bond on a three-monthly basis.

Various other projects were undertaken by Finance during the year. These included negotiating special terms for hotels through the organisation's travel agent, P & O Business Travel, assessing attendance allowance rates for members of Council and partners. There is an ongoing project with regard to business rates liability. Office Services was involved in various maintenance projects during the year, especially with regard to the front elevation of the building, air conditioning and some redecoration.

Human Resources kept the committee apprised with regard to the recruitment and training of new employees and partners. It also took on a bespoke software system and endeavoured to bring all its procedures up to date.

Information and IT reported regularly to the committee about ongoing work. This included assisting the organisation to attain ISO certification, setting up the registration system to take Operating Department Practitioners onto the register, preparing for the implementation of the Freedom of Information Act 2000 and developing databases and automated procedures for various departments. Significant planning work has taken place with regard to renewals to take place in 2005 and developing the IT Disaster Recovery Plan.

The committee has reviewed and approved the goals and objectives of all the departments that report to it. It reviewed the Chief Executive's payroll recommendations when it sat as the Remuneration Committee in March. Proper pay scales, supported by ~~Crooner Reward~~ *for advice*, are in place.

The committee has also been reviewing the organisation's future accommodation requirements as it grows to take on more registrants.

Once again the Finance and Resources Committee has had a busy and challenging year. It is pleased that reserves are now increasing, albeit slowly, and that a budgeted surplus is planned for next year.

Colin Lea

Chairman

Paul Baker FCA

Secretary

PKHB/AnnualReportFinance
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