

Finance Department – March 2009 Report

General

Since the last Committee Meeting, the Finance department has produced the January Management Accounts and is currently preparing the February Management Accounts.

Supplier payments

At the end of January, at least 96% by value of the £590k Creditor payments (January Aged Creditor Listing) were in the 30 days or less category. Usually the percentage is around 98%. FM Restorations Ltd billed prematurely for Stannary St façade repairs relative to progress completed.

Fee adjustments and income receipts handling

At 5 March, there was a half day backlog in Registrant direct debit cancellations and amendments against a 2 day backlog target.

We had a zero day processing backlog on rejected payments/refunds against a two day backlog target and no backlog on mid-cycle lapsing of Registrants.

The banking of Registrant cheques is up to date and there is a half day backlog on credit card reconciliations against a two day backlog target.

Income Collection cycle

Direct debit collections of Registrants' fees (cover 83% of registrants) are done by the Finance Dept, with collections made two months in advance. OT and PH collections occurred in early March. AT, BS and ODP collections are scheduled for early April. Most of the income comprises Renewal fees collected.

Funds under Management

At 3 March, the Business Reserve account balance was £263k, earning an interest rate of 0.125% per annum. £4.4M was invested in the NatWest Special Interest-bearing Account (SIBA) on a rolling monthly basis, earning 1% per annum and £1.5M in Barclays money

market earning 1.82% for 6 months. Refer separate paper proposing to transfer £1.5M from Natwest to a Lloyds money market account.

The value of the HPC's investment portfolio (excluding £217k portfolio cash) at the end of February was £1.25M. The investment portfolio value including cash was £1.47M. This compares with £1.85M at 28 February 2008.

Regarding the Reserves Policy, three average 2008/09 budgeted months of Operating Expenses totalled £3.37M. At the end of January, the sum of Investments and Working Capital totalled £5.01M.

Pensions

In February, there were 55 active members in the Friends Provident Scheme and no active members in the Capita Flexiplan Scheme, excluding the 6 "notional" members. Note there are also approximately 26 ex employees (CPSM & HPC employees during 1994-07) who have money remaining in the Flexiplan scheme.

Employee training and staffing levels

There are seven full-time permanent employees in the dept with one additional permanent post to be filled, that of a Management Accountant. Temp staff are periodically hired to cover for staff on annual or sick leave and to help achieve Finance dept service level targets.

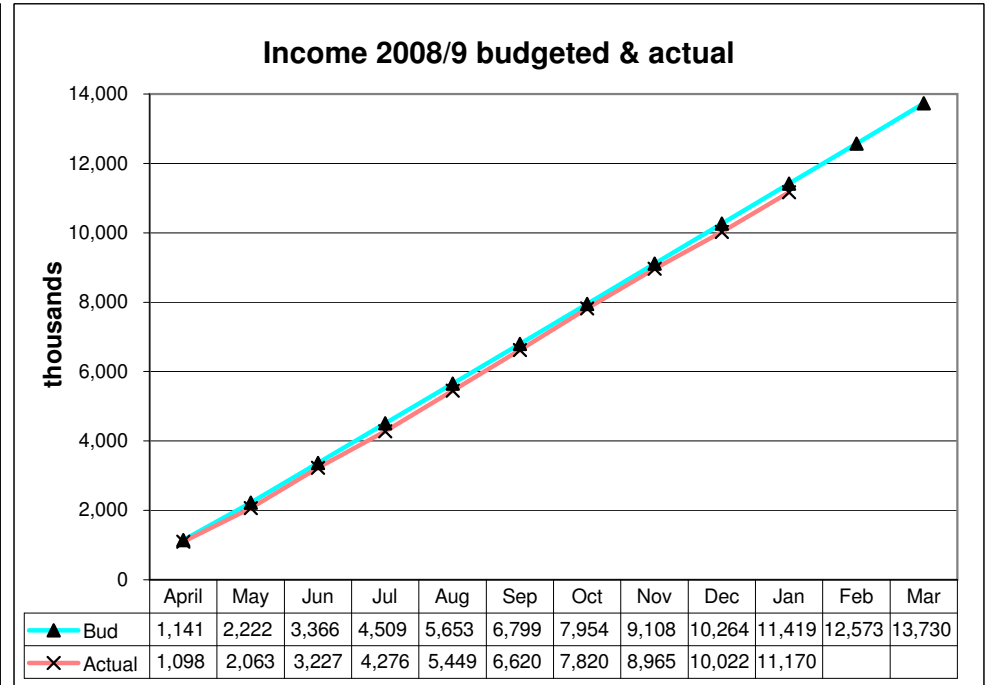
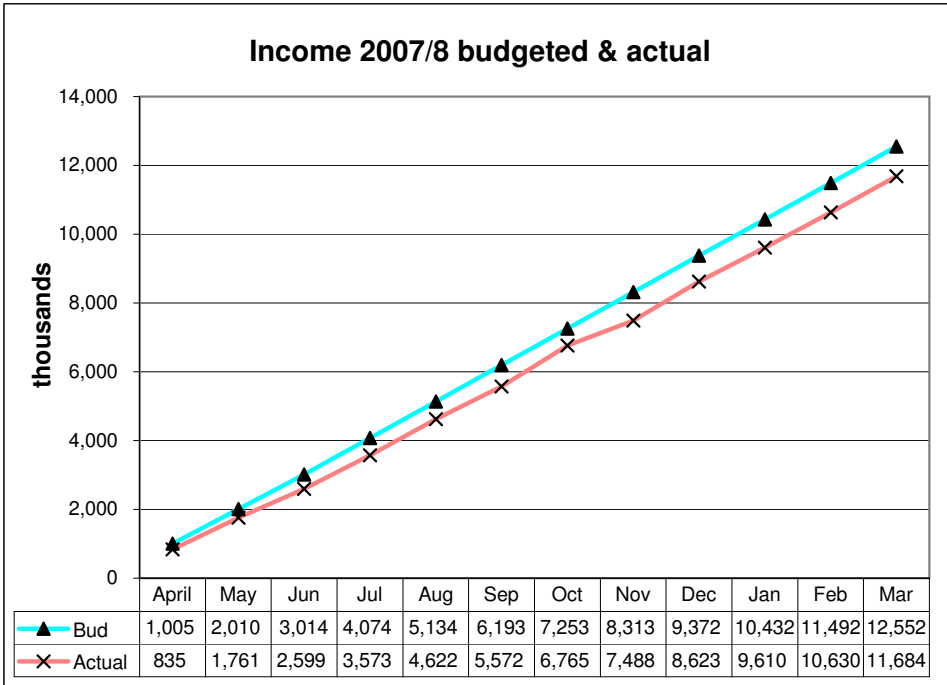
Significant Financial Projects/Issues (next few months)

- Complete the Annual Budget process for 2009-2010
- PRS system audit by PKF
- Prepare Year End Management and Statutory Accounts, including an updated premises valuation in March
- Prepare the financial systems and processes for the introduction of IFRS
- Complete the Fees Project for the 1 April 2009 launch

| | 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 | 1,200 | 1,145 | 1,058 | 1,148 | | | 11,170 | 11,419 | (249) | 13,730 |
| Miscellaneous Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | 0 | 0 | 0 | 0 |
| TOTAL INCOME* | 1,098 | 965 | 1,164 | 1,049 | 1,173 | 1,171 | 1,200 | 1,145 | 1,058 | 1,148 | | | 11,170 | 11,419 | (249) | 13,730 |
| EXPENDITURE | | | | | | | | | | | | | | | | |
| Approvals & Monitoring | 40 | 64 | 57 | 29 | 42 | 45 | 40 | 37 | 41 | 40 | | | 436 | 520 | (84) | 661 |
| Chief Executive | 28 | 17 | 29 | 27 | 27 | 73 | (24) | 25 | 21 | 23 | | | 245 | 231 | 14 | 278 |
| Council & Committees | 0 | 18 | 96 | 12 | 23 | 42 | 65 | 30 | 31 | 20 | | | 336 | 401 | (65) | 547 |
| Communications | 22 | 78 | 83 | 79 | 55 | 94 | 59 | 81 | 86 | 61 | | | 697 | 863 | (166) | 1,020 |
| Facilities Management | 92 | 59 | 96 | 102 | 65 | 31 | 144 | 57 | 67 | 73 | | | 785 | 777 | 8 | 910 |
| Finance | 47 | 75 | 50 | 65 | 38 | 42 | 50 | 37 | 64 | 53 | | | 521 | 471 | 50 | 570 |
| Fitness to Practise | 140 | 664 | 474 | 236 | 357 | 319 | 405 | 323 | 427 | 274 | | | 3,619 | 3,910 | (291) | 4,622 |
| Human Resources & Partners | 29 | 66 | 78 | 38 | 45 | 81 | 108 | 52 | 44 | 39 | | | 579 | 588 | (8) | 662 |
| IT Department | 69 | 86 | 74 | 67 | 72 | 69 | 73 | 86 | 94 | 91 | | | 781 | 901 | (121) | 1,137 |
| Operations Office | 27 | 32 | 40 | 34 | 32 | 33 | 38 | 52 | 27 | 33 | | | 348 | 318 | 30 | 375 |
| Policy & Standards | 18 | 19 | 65 | 35 | 21 | 21 | 17 | 18 | 17 | 14 | | | 246 | 337 | (91) | 384 |
| President | 0 | 7 | 6 | 4 | 1 | 8 | 5 | 4 | 4 | 4 | | | 42 | 40 | 2 | 49 |
| Major Projects | 0 | 24 | 3 | 2 | 1 | 3 | 14 | 16 | 9 | 7 | | | 78 | 83 | (5) | 263 |
| Registration | 87 | 174 | 124 | 103 | 155 | 124 | 145 | 143 | 131 | 93 | | | 1,279 | 1,418 | (139) | 1,714 |
| Secretariat | 14 | 26 | 20 | 19 | 12 | 24 | 16 | 18 | 13 | 11 | | | 172 | 243 | (71) | 293 |
| TOTAL EXPENDITURE | 613 | 1,409 | 1,294 | 851 | 943 | 1,008 | 1,156 | 980 | 1,074 | 835 | | | 10,164 | 11,102 | (937) | 13,485 |
| OPERATING SURPLUS/(DEFICIT) | 485 | (444) | (130) | 198 | 230 | 163 | 43 | 165 | (17) | 313 | | | 1,006 | 317 | 689 | 245 |

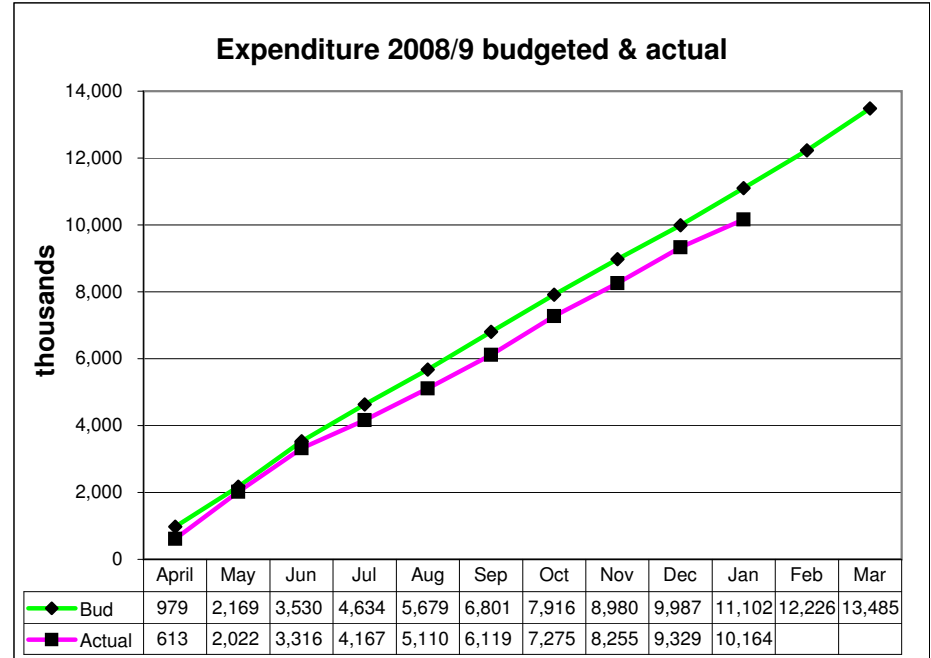
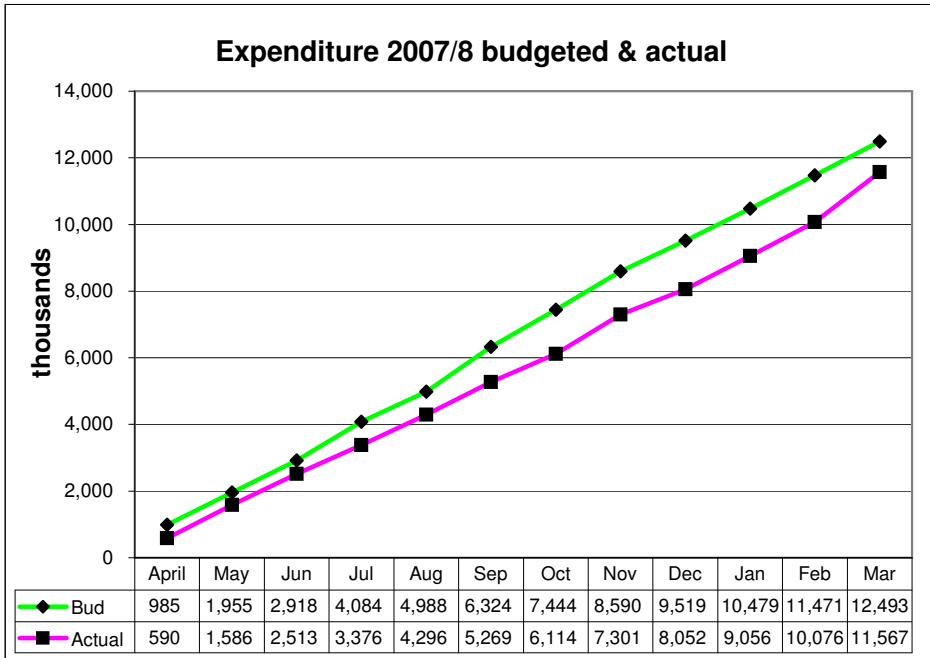
* Total Income is excluding investment income

Note: No accruals have been posted for April



| | 2007 | | | | | | | | | 2008 | | |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|
| | April | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
| Bud | 1,005 | 2,010 | 3,014 | 4,074 | 5,134 | 6,193 | 7,253 | 8,313 | 9,372 | 10,432 | 11,492 | 12,552 |
| Actual | 835 | 1,761 | 2,599 | 3,573 | 4,622 | 5,572 | 6,765 | 7,488 | 8,623 | 9,610 | 10,630 | 11,684 |

| | 2007 | | | | | | | | | 2008 | | |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|
| | April | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
| Bud | 1,141 | 2,222 | 3,366 | 4,509 | 5,653 | 6,799 | 7,954 | 9,108 | 10,264 | 11,419 | 12,573 | 13,730 |
| Actual | 1,098 | 2,063 | 3,227 | 4,276 | 5,449 | 6,620 | 7,820 | 8,965 | 10,022 | 11,170 | | |



| | 2007 | | | | | | | | | | 2008 | | |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--|
| | April | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | |
| Bud | 985 | 1,955 | 2,918 | 4,084 | 4,988 | 6,324 | 7,444 | 8,590 | 9,519 | 10,479 | 11,471 | 12,493 | |
| Actual | 590 | 1,586 | 2,513 | 3,376 | 4,296 | 5,269 | 6,114 | 7,301 | 8,052 | 9,056 | 10,076 | 11,567 | |

| | 2008 | | | | | | | | | | 2009 | | |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--|
| | April | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | |
| Bud | 979 | 2,169 | 3,530 | 4,634 | 5,679 | 6,801 | 7,916 | 8,980 | 9,987 | 11,102 | 12,226 | 13,485 | |
| Actual | 613 | 2,022 | 3,316 | 4,167 | 5,110 | 6,119 | 7,275 | 8,255 | 9,329 | 10,164 | | | |

Health Professions Council
January

Consolidated Department Monthly Variances

Finance Department

| | 2008 | | | | | | 2009 | | | | | | Total to Jan £000 | Budget Jan £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 | (8) | (18) | (15) | (25) | (84) | 520 | 436 | | |
| Chief Executive | 8 | (4) | 7 | 1 | 7 | 47 | (49) | 1 | (1) | (3) | 14 | 231 | 245 | | |
| Council, Committees & PLG | (27) | (12) | 39 | (38) | 17 | (18) | (4) | (2) | (21) | 1 | (65) | 401 | 336 | | |
| Communications | (11) | (7) | 17 | 9 | (53) | 4 | (60) | (10) | 13 | (67) | (166) | 863 | 697 | | |
| Facilities Management | 28 | (16) | (32) | 13 | (6) | (38) | 73 | (13) | (4) | 2 | 8 | 777 | 785 | | |
| Finance | (18) | 43 | (3) | 18 | (17) | (3) | 9 | (12) | 20 | 13 | 50 | 471 | 521 | | |
| Fitness to Practise | (232) | 159 | 8 | (129) | (7) | (82) | 45 | (58) | 84 | (78) | (291) | 3,910 | 3,619 | | |
| Human Resources & Partners | (2) | 7 | (30) | (43) | 12 | 12 | 55 | 2 | (5) | (16) | (8) | 588 | 579 | | |
| IT Department | 14 | (4) | (33) | (28) | (56) | (23) | 3 | 4 | 16 | (14) | (121) | 901 | 781 | | |
| Operations Office | (12) | (2) | 6 | 4 | 4 | 2 | 7 | 20 | (2) | 4 | 30 | 318 | 348 | | |
| Policy & Standards | (1) | (3) | (24) | 11 | 1 | (1) | (38) | (3) | (6) | (28) | (91) | 337 | 246 | | |
| President | 1 | (2) | 2 | 0 | (3) | 3 | 1 | 0 | (0) | (0) | 2 | 40 | 42 | | |
| Major Projects | (44) | 16 | 2 | 1 | (3) | (4) | 12 | 13 | 6 | (4) | (5) | 83 | 78 | | |
| Registration | (59) | 32 | (20) | (46) | 18 | (12) | 5 | (2) | (4) | (51) | (139) | 1,418 | 1,279 | | |
| Secretariat | (4) | 0 | (4) | (6) | (13) | (1) | (9) | (7) | (12) | (14) | (71) | 243 | 172 | | |
| TOTAL BUDGET VARIANCE | (366) | 219 | (67) | (253) | (102) | (114) | 41 | (85) | 69 | (280) | (937) | 11,102 | 10,164 | | |
| TOTAL MONTHLY BUDGET | 979 | 1,190 | 1,361 | 1,104 | 1,045 | 1,122 | 1,115 | 1,065 | 1,005 | 1,115 | | | 11,102 | | |
| TOTAL EXPENDITURE | 613 | 1,409 | 1,294 | 851 | 943 | 1,008 | 1,156 | 980 | 1,074 | 835 | | | 10,164 | | |

* Total Income is excluding investment income

| | <i>Actual Mar 08 £000</i> | 2008 | | | | | | | | | | | <i>Budget Mar 09 £000</i> | |
|--------------------------------|-----------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-----------------------------------|--------------|
| | | 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 | |
| FIXED ASSETS | | | | | | | | | | | | | | |
| Tangible Fixed Assets | 3,756 | 3,933 | 3,891 | 3,903 | 3,889 | 3,957 | 4,076 | 4,042 | 4,076 | 4,055 | 4,080 | | | 6,278 |
| Investments | 1,528 | 1,710 | 1,715 | 1,604 | 1,554 | 1,768 | 1,640 | 1,536 | 1,329 | 1,416 | 1,329 | | | 1,554 |
| TOTAL FIXED ASSETS | 5,284 | 5,643 | 5,606 | 5,507 | 5,443 | 5,725 | 5,716 | 5,578 | 5,405 | 5,471 | 5,409 | 0 | 0 | 7,832 |
| CURRENT ASSETS | | | | | | | | | | | | | | |
| Debtors & Prepayments | 213 | 335 | 358 | 283 | 273 | 245 | 203 | 181 | 222 | 485 | 506 | | | 353 |
| Bank & Cash | 4,899 | 5,098 | 4,308 | 3,786 | 4,579 | 4,288 | 5,677 | 5,897 | 5,047 | 4,550 | 5,058 | | | 5,353 |
| CURRENT LIABILITIES | | | | | | | | | | | | | | |
| Creditors and accrued expenses | (2,103) | (1,706) | (1,864) | (1,663) | (1,594) | (1,663) | (1,719) | (1,769) | (1,535) | (1,879) | (1,880) | | | (2,363) |
| WORKING CAPITAL | 3,009 | 3,727 | 2,802 | 2,406 | 3,258 | 2,870 | 4,161 | 4,309 | 3,734 | 3,156 | 3,684 | 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) | (7,833) | (7,115) | (6,528) | (6,733) | | | (7,763) |
| NET ASSETS | 1,423 | 1,993 | 1,631 | 1,411 | 1,611 | 1,908 | 2,110 | 2,054 | 2,024 | 2,099 | 2,360 | 0 | 0 | 3,412 |
| Represented by: | | | | | | | | | | | | | | |
| Revaluation Reserve | 422 | 422 | 422 | 422 | 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 | 1,632 | 1,602 | 1,677 | 1,938 | | | 2,761 |
| | 1,423 | 1,993 | 1,631 | 1,411 | 1,611 | 1,908 | 2,110 | 2,054 | 2,024 | 2,099 | 2,360 | 0 | 0 | 3,412 |

* Balance sheet includes investment income

Health Professions Council
January

Consolidated Cash Flow Actual and Forecast

Finance Department

| | Actual Mar 08 £000 | 2008 | | | | | | | | | | | Total January £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 | 5,898 | 5,048 | 4,550 | 5,058 | 5,058 | |
| Registration Income | | 1,098 | 964 | 1,165 | 1,049 | 1,174 | 1,167 | 1,200 | 1,145 | 1,058 | 1,148 | | | 11,168 |
| Investment Income | | 2 | 1 | 17 | 45 | 6 | 54 | 4 | 4 | 14 | 35 | | | 182 |
| Investment Sales | | 35 | 44 | 38 | 39 | 4 | 50 | 13 | 6 | 50 | 0 | | | 279 |
| Deferred Income Movements | | 503 | (477) | (393) | 589 | (404) | 1,080 | 66 | (718) | (586) | 204 | | | (136) |
| Department of Health funding | | 0 | 0 | 74 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | 74 |
| Bank Loan | | | | | | | | | | | | | | |
| Miscellaneous Income | | | | | | | | | | | | | | 0 |
| Total Cash Receipts | | 1,638 | 532 | 901 | 1,722 | 780 | 2,351 | 1,283 | 437 | 536 | 1,387 | 0 | 0 | 11,567 |
| Expenditure | | 608 | 1,416 | 1,291 | 851 | 944 | 1,008 | 1,156 | 993 | 1,062 | 835 | | | 10,164 |
| Depreciation | | (24) | (25) | (24) | (25) | (25) | (18) | (26) | (38) | (34) | (34) | | | (273) |
| Asset disposal / writeoff | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (7) | 0 | 0 | | | (7) |
| Aged Cred / Accrual Movements | | 292 | (22) | 169 | 70 | (70) | (58) | (49) | 233 | (343) | (1) | | | 221 |
| Debtor Movements | | 225 | (62) | (93) | (11) | (28) | (43) | (22) | 27 | 277 | 20 | | | 290 |
| Payments to Creditors | | 1,101 | 1,307 | 1,343 | 885 | 821 | 889 | 1,059 | 1,208 | 962 | 820 | 0 | 0 | 10,395 |
| Capital Expenditure | | 201 | (17) | 36 | 11 | 93 | 138 | (8) | 72 | 13 | 59 | | | 598 |
| Capital write-off | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (5) | | | (5) |
| Investment Purchases | | 136 | 32 | 44 | 32 | 158 | (64) | 10 | (3) | 59 | 5 | | | 409 |
| Interest payable | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 0 | 0 | | | 10 |
| Other Payments | | 337 | 15 | 80 | 43 | 251 | 74 | 2 | 79 | 72 | 59 | 0 | 0 | 1,012 |
| Closing Balance | 4,898 | 5,098 | 4,308 | 3,786 | 4,580 | 4,288 | 5,676 | 5,898 | 5,048 | 4,550 | 5,058 | 5,058 | 5,058 | |
| Budgeted Closing Balance | | | | | | | | | | | | | | |
| Variance | | 5,098 | 4,308 | 3,786 | 4,580 | 4,288 | 5,676 | 5,898 | 5,048 | 4,550 | 5,058 | 5,058 | 5,058 | |

* Cash flow includes investment income