

FINANCE AND FACILITIES MGT (was OFFICE SERVICES) DEPT REPORTS FOR THE FINANCE AND RESOURCES COMMITTEE FOR 28th July 2006

Finance Report

General

Since the last Finance & Resources Committee Meeting, the Finance department has produced the May YTD Management Accounts and is currently preparing publication of the June YTD Management Accounts.

2004/05 and 2005/06 Annual Reports

These were both approved by the Council at the meeting on 6th July, signed by the auditors and sent to the printers for publishing.

Supplier payments

At the end of June, at least 98% by value of the £399k Creditor payments (June Purchase Ledger) 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 7 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 (10th July), there is a backlog in Registrant direct debit cancellations and amendments of about two processing days. We have no backlog on rejected payments/refunds and zero days backlog on mid-cycle lapsing of Registrants. Banking of Registrant cheques and credit card reconciliations are up to date.

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. CH, RA, PA and OR collections occurred in July. Further fee collections scheduled in August are for SL, PO, CS, OT, PH and CH professions. Most of the income comprises Renewal fees collected.

Funds under Management

At 10th July, the Business Reserve account balance was £0.66M, earning an interest rate of approx 2% per annum. A further £3.5M is invested in the Special Interest-bearing Account on a rolling monthly basis, earning 4.5% per annum.

NatWest, Barclays and HSBC are active Money Market providers for HPC. There are no bank loans outstanding. The value of funds in our investment portfolio is approx £1.7M. This is managed by professional fund managers, Rensburg Sheppards.

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

Tax Issues

At the time of writing (10th July), we had received replies from 48 Council and Committee Members (CCM's). Declarations are summarised as follows:

<i>Category</i>	<i>Number of CCM's</i>
One	29
Two	14
One & Two	2
Three	3

Of those declaring themselves “Category One”, 17 have completed and returned their payroll forms and forms from 12 CCM’s remain outstanding as at 10 July.

Employers Agreements for “Category Two” CCM’s have now been cleared by HPC legal advisors and have been sent to CCM’s for completion and return.

Employee Training

Employees attend Accounting software, Tax update and Payroll update courses as appropriate. Three Finance employees are also enrolled in after hours, part-time professional accountancy qualifications (CIMA and ACCA) at present.

Employee Issues

There is a team of six full-time employees in the Finance department, including the Finance Manager. The permanent Management Accountant (Charlotte Milner) joined HPC on 17th July and brings strong Business Services reporting experience to the Finance Dept, as well as being ACCA qualified. After external advertising and interviews, the permanent Transaction Manager role was filled at the end of July (an internal transfer - Shelagh Gillick). Temp staff are periodically hired to cover for permanent staff on leave and to help clear work backlogs (to maintain service levels).

Significant Financial Projects/Issues (next few mths)

- Implement the Council member fee increase to £300, backdated to 1st April 2006 (to action in August).
- Prepare and despatch the fee change consultation letter to stakeholders and interested parties for the forthcoming proposed general fee change in mid to late 2007.
- Review/update project specifications and commission software development for automation projects relating to Intermediate Lapsing and Bulk Letter Generation (July-Sept period).
- Finish updating the online Financial Procedures manual, reconcile SAGE suppliers to authorised supplier list and achieve further role cross-training within the department, to minimise person risk. Payroll cross-training in August.

NB: Any potential recoveries of past fraud-related costs from our ex-auditors are still under negotiation with their lawyers.

Facilities Management Report

Staffing

The intention is to replace the temporary Catering Officer with a permanent person shortly. Interviews have been held to recruit building consultants (quantity surveyors and structural engineers) for the 22/26 Stannary Street renovation project.

Procurement & Logistics

New access control system ordered for installation in late July / early August.