

Summary

1. This report identifies the main features of the Management Accounts for the nine-months ended 31 December 2013. The nine-month accounts show a surplus (before designated spending) of £168k against a budgeted forecast of £126k.

Income and Expenditure Account

2. The Income and Expenditure Account is set out below:

	Year to Date 31 December 2013			FY Budget	FY Forecast
	Actual	Budget	Variance		
Income					
Registration fees	2,080,573	2,065,000	15,573	2,670,000	2,670,000
Other income	42,706	38,150	4,556	58,500	58,500
Total	2,123,279	2,103,150	20,129	2,728,500	2,728,500
Expenditure					
Employment costs	899,678	901,355	1,677	1,200,506	1,200,000
Education and professional standards	76,393	77,439	1,046	168,669	168,669
Communications, research and development	144,674	147,374	2,700	234,754	234,754
Registration administration	17,695	17,700	5	18,200	18,200
IT infrastructure	60,160	67,575	7,415	72,376	65,000
Fitness to practise, including legal	396,342	404,400	8,058	530,000	530,000
Governance	124,930	124,850	(80)	173,000	170,000
Administration and establishment	235,029	236,437	1,408	315,750	311,800
Total	1,954,901	1,977,130	22,229	2,713,255	2,698,423
Surplus	168,378	126,020	42,358	15,245	30,077

Income

3. As at 31 December 2013, income totalled £2.123m, which was £20k ahead of forecast. Registration Fees accounted for £2.081m, which was equal to 98% of the total income received. Registration fees actually received totalled £2.213m; however, the process of accruals accounting requires that only those fees relevant to the nine-months be reported.

Expenditure

4. At the nine-month position we have recorded actual expenditure of £1.934m against a budgeted position of £1.957m, meaning we are under spent by £23k. The year-end forecast has been adjusted and now predicts that Council will have a slightly larger surplus of £30k compared to its budgeted position of £15k. As reported in the main body of the report some of this surplus will now be used to cover the additional costs of the website re-platforming.

Education and professional standards

	Year to Date 31 December 2013			FY Budget	FY Forecast
	Actual	Budget	Variance		
Expenditure					
Working groups	898	900	2	3,500	3,500
Quality assurance	68,254	68,226	(28)	138,119	138,119
Continuing fitness to practise framework	0	0	0	9,500	9,500
Revalidation	0	0	0	0	0
Osteopathic Practice Standards	5,429	5,450	21	10,000	10,000
Student fitness to practise	24	0	(24)	1,000	1,000
Transition to practice research	202	200	(2)	3,000	3,000
Publications and subscriptions	1,586	2,663	1,077	3,550	3,550
Total	76,393	77,439	1,046	168,669	168,669

5. The six-month position shows that £68k has been spent against a forecast budget position of £69k. The largest expenditure item relates to the work undertaken on behalf of GOsC by the Quality Assurance Agency which represents 95% of the department spend to date. Expenditure in the other budget lines will be committed in the final quarter of FY2013-14.

Communications, research and development

	Year to Date 31 December 2013			FY Budget	FY Forecast
	Actual	Budget	Variance		
Expenditure					
Publication production	47,388	47,424	36	68,057	68,057
Engagement activities	15,727	16,535	808	21,335	21,335
Website	10,147	10,150	3	41,012	41,012

Annex B to 5

Promoting the Register	0	0	0	3,600	3,600
Public and international affairs	16,803	17,500	697	19,650	19,650
Publications and subscriptions	265	265	0	1,600	1,600
<i>Research</i>					
NCOR infrastructure (net)	13,844	15,000	1,156	25,000	25,000
IJOM	40,500	40,500	0	54,500	54,500
Total	144,674	147,374	2,700	234,754	234,754

6. Expenditure of £145k is within budget by £3k. Communication with the profession through GOsC publications (£47k) includes *the osteopath* magazine and e-bulletins. Expenditure of £17k for Public and international affairs includes a media monitoring subscription and the membership fee for the Osteopathic International Alliance.
7. The cost of the hosting the Regional Communications Network meetings is shown under engagement activities which overall is within budget by £808.

Registration administration

	Year to Date 31 December 2013			FY Budget	FY Forecast
	Actual	Budget	Variance		
Expenditure					
Registration documentation	2,003	2,000	(3)	2,500	2,500
Registration assessments	15,692	15,700	8	15,700	15,700
Total	17,695	17,700	5	18,200	18,200

8. The nine-month position for Registration administration is in line with the budgeted position. The largest spend item – Registration assessments – represents 89% of the expenditure to date.

IT infrastructure

	Year to Date 31 December 2013			FY Budget	FY Forecast
	Actual	Budget	Variance		
Expenditure					
IT infrastructure (Cloud)	33,421	33,576	155	33,576	33,576
CRM support	17,158	23,699	6,541	28,000	21,300
Disaster recovery facility	4,040	4,800	760	4,800	4,124

Annex B to 5

IT sundries	5,541	5,500	(41)	6,000	6,000
Total	60,160	67,575	7,415	72,376	65,000

9. Expenditure of £60k is under the budgeted expectations for the nine-month position. In the opening nine-months £33k was spent preparing the GOsC for its IT infrastructure move to the 'cloud'; £17k has been spent on CRM support and service contracts, with the remaining balance of expenditure being spent on the premium for the disaster recovery site and IT sundry expenses.
10. The forecast budget position is £7k lower than forecast as in the year there has been less spend on IT consultancy than planned.

Fitness to practise, including legal

	Year to Date 31 December 2013			FY Budget	FY Forecast
	Actual	Budget	Variance		
Expenditure					
Other legal costs	0	5,500	5,500	5,500	5,500
Statutory committee costs					
- Investigating Committee	70,269	70,000	(269)	75,000	75,000
- Professional Conduct Committee	320,098	322,925	2,827	440,000	440,000
Section 32 cases	1,475	1,475	0	5,000	5,000
Law library subscription	4,500	4,500	0	4,500	4,500
Total	396,342	404,400	8,058	530,000	530,000

11. Statutory committee costs represent 98% of the department expenditure and reflect the work of the Investigating Committee and the Professional Conduct Committee. Because of an increase in case volume the costs incurred in FY2013-14 will be significantly higher than those incurred in the previous year, where there was an underspend against budget.

Governance

	Year to Date 31 December 2013			FY Budget	FY Forecast
	Actual	Budget	Variance		
Expenditure					
Honorariums/responsibility allowances	84,343	87,750	3,407	117,000	117,000
Tax liability on council member expenses	9,751	9,751	0	15,000	10,000

Annex B to 5

Council costs including reappointments	15,855	12,200	(3,655)	21,000	21,000
Other committee costs	9,998	9,900	(98)	14,500	14,500
Internal operations, including training	4,983	5,249	266	5,500	5,500
Total	124,930	124,850	(80)	173,000	168,000

12. Honorarium and responsibility allowances of £84k represent 67% of the total expenditure for the nine-months to 31 December 2013.

13. Total expenditure of £125k is in line with the budget forecast.

Administration and establishment

	Year to Date 31 December 2013			FY Budget	FY Forecast
	Actual	Budget	Variance		
Expenditure					
Premises	71,068	70,500	(568)	85,000	83,625
Office administration, including miscellaneous travel	73,775	73,125	(650)	86,000	84,625
Financial audit	0	0	0	21,000	19,800
Financing	13,963	16,500	2,537	22,000	22,000
Publications and subscriptions	1,223	1,312	89	1,750	1,750
Depreciation	75,000	75,000	0	100,000	100,000
Total	235,029	236,437	1,408	315,750	311,800

14. The two main areas of expenditure within Administration and establishment are the cost of premises – rates and service contracts – (£71k) – and office administration – insurance, postage, photocopying – (£74k). These areas represent 61% of the total expenditure at the nine-month position.

15. Total expenditure in this area was £235k and is marginally underspent by £1.4k against the budget forecast.

Balance Sheet

16. The Balance Sheet for the nine-months to 31 December 2013 shows total reserves of £2.73m. The Balance Sheet position remains healthy and demonstrates that the GOsC is well placed to meet its future obligations and the challenges ahead.

17. Cash held in hand and at bank totals £1.13m as at 31 December 2013 of which £500k is being held in a bond with Secure Trust Bank generating a greater level of interest for the GOsC (2.35% AER) than retaining it in a current account.

	31 March 2013		31 December 2013	
	£	£	£	£
Non-current assets				
Fixed assets	1,934,528		1,881,483	
Investments	500,000		500,000	
		2,434,528		2,381,483
Current assets				
Debtors	275,208		634,314	
Cash in hand and at bank	1,016,041		1,132,664	
	1,291,249		1,766,978	
Liabilities				
Creditors – within one year	(1,120,700)		(1,420,923)	
Creditors – over one year	(23,213)		(23,213)	
	(1,143,913)		(1,444,136)	
Net Assets		147,336		322,842
Total assets less total liabilities		2,581,864		2,704,325
Reserves				
General reserve		2,401,864		2,507,217
Designated funds				
- Governance arrangements		100,000		100,000
- Effectiveness of regulation research		80,000		79,897
- Website development		-		17,211
Total Reserves		2,581,864		2,704,325