

Summary

1. This report identifies the main features of the Management Accounts for the year-ended 31 March 2014. The draft year-end accounts show a surplus (before designated spending) of £32k against a budgeted forecast of £15k.

Income and Expenditure Account

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

	Year end 31 March 2014		
	Actual	Budget	Variance
Income			
Registration fees	2,674,000	2,670,000	4,000
Other income	67,000	58,500	8,500
Total	2,741,000	2,728,500	12,500
Expenditure			
Employment costs	1,196,832	1,200,506	3,674
Education and professional standards	165,595	168,669	3,074
Communications, research and development	232,175	234,754	2,579
Registration administration	26,870	18,200	(8,670)
IT infrastructure	72,100	72,376	276
Fitness to practise, including legal	529,783	530,000	217
Governance	172,670	173,000	330
Administration and establishment	312,963	315,750	2,787
Total	2,708,988	2,713,255	4,267
Surplus	32,012	15,245	16,767

Income

3. As at 31 March 2014, income totalled £2.741m, which was £12.5k ahead of forecast. Registration Fees accounted for £2.67m, which was equal to 97% of the total income received. The process of accruals accounting requires that only those fees relevant to the full-year be reported.

Expenditure

4. At the year-end we have recorded actual expenditure of £2.709m against a budgeted position of £2.713m, meaning we are under spent by £4k. As

previously reported some of this surplus will now be used to cover additional costs of the website re-platforming.

Education and professional standards

	Year end 31 March 2014		
	Actual	Budget	Variance
Expenditure			
Working groups	1,965	3,500	1,535
Quality assurance	138,000	138,119	119
Continuing fitness to practise framework	9,500	9,500	0
Revalidation	0	0	0
Osteopathic Practice Standards	9,772	10,000	228
Student fitness to practise	985	1,000	15
Transition to practice research	2,950	3,000	50
Publications and subscriptions	2,423	3,550	1,127
Total	165,595	168,669	3,074

- The largest expenditure item relates to the work undertaken on behalf of GOsC by the Quality Assurance Agency which represents 83% of the department spend to date.
- The underspend is being used to help offset expenditure relating to registration assessments which was a new activity in this financial year.

Communications, research and development

	Year end 31 March 2014		
	Actual	Budget	Variance
Expenditure			
Publication production	68,000	68,057	57
Engagement activities	18,090	21,335	3,245
Website	40,147	41,012	865
Promoting the Register	5,700	3,600	(2,100)
Public and international affairs	19,025	19,650	625
Publications and subscriptions	265	1,600	1,335
<i>Research</i>			
NCOR infrastructure (net)	24,923	25,000	77
IJOM	56,025	54,500	(1,525)
Total	232,175	234,754	2,579

- Expenditure of £232k is within budget by £2.5k. Communication with the profession through GOsC publications (£68k) includes *the osteopath* magazine and e-bulletins. Expenditure of £19k for Public and international affairs includes

a media monitoring subscription and the membership fee for the Osteopathic International Alliance.

Registration administration

	Year end 31 March 2014		
	Actual	Budget	Variance
Expenditure			
Registration documentation	2,003	2,500	497
Registration assessments	24,867	15,700	(9,167)
Total	26,870	18,200	(8,670)

8. The registration budget is overspent as a new area of expenditure, 'registration assessments' was introduced this year. Council will recall from reports at previous meetings that the expenditure was being funded through savings made in other areas of the business (see Education and Professional Standards and Administration and Establishment). The budget for 2014-15 includes a fully-costed provision for registration assessments.

IT infrastructure

	Year end 31 March 2014		
	Actual	Budget	Variance
Expenditure			
IT infrastructure (Cloud)	33,491	33,576	85
CRM support	27,864	28,000	136
Disaster recovery facility	4,761	4,800	39
IT sundries	5,984	6,000	16
Total	72,100	72,376	276

9. Expenditure of £72k is in line with budgeted expectations. In the year under review £33k was spent preparing the GOsC for its IT infrastructure move to the 'cloud'; £28k 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.

Fitness to practise, including legal

	Year end 31 March 2014		
	Actual	Budget	Variance
Expenditure			
Statutory committee costs			
- Investigating Committee	102,909	103,000	91
- Professional Conduct Committee	420,899	421,000	101
Section 32 cases	1,475	1,500	25
Law library subscription	4,500	4,500	0
Total	529,783	530,000	217

10. Statutory committee costs represent 98.87% 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 end 31 March 2014		
	Actual	Budget	Variance
Expenditure			
Honorariums/responsibility allowances	115,000	117,000	2,000
Tax liability on council member expenses	9,750	9,750	0
Council costs including reappointments	20,870	21,000	130
Other committee costs	15,550	14,500	(1,050)
Internal operations, including training	11,500	10,750	(750)
Total	172,670	173,000	330

11. Honorarium and responsibility allowances of £115k represent 67% of the total expenditure for the year-ending 31 March 2014.
12. Total expenditure of £173k is in line with the budget forecast.

Administration and establishment

	Year end 31 March 2014		
	Actual	Budget	Variance
Expenditure			
Premises	84,960	85,000	40
Office administration, including miscellaneous travel	84,017	86,000	1,983
Financial audit	21,000	21,000	0
Financing	21,344	22,000	656
Publications and subscriptions	1,642	1,750	108
Depreciation	100,000	100,000	0
Total	312,963	315,750	2,787

13. The two main areas of expenditure within Administration and establishment are the cost of premises – rates and service contracts – (£85k) – and office administration – insurance, postage, photocopying – (£84k). These areas represent 54% of the total expenditure at the year-end.
14. Total expenditure in this area was £313k and is underspent by £3k against the budget forecast.

Draft subject to financial audit

Balance Sheet

15. The Balance Sheet for the year-ended 31 March 2014 shows total reserves of £2.77m. The Balance Sheet position remains healthy and demonstrates that the GOsC is well placed to meet its future obligations and the challenges ahead.

16. Cash held in hand and at bank totals £860k as at 31 March 2014 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 March 2014	
	£	£	£	£
Non-current assets				
Fixed assets	1,934,528		1,858,283	
Investments	500,000		500,000	
		2,434,528		2,358,283
Current assets				
Debtors	275,208		329,163	
Cash in hand and at bank	1,016,041		859,709	
	1,291,249		1,188,872	
Liabilities				
Creditors – within one year	(1,120,700)		(751,895)	
Creditors – over one year	(23,213)		(23,213)	
	(1,143,913)		(775,108)	
Net Assets		147,336		413,764
Total assets less total liabilities		2,581,864		2,772,047
Reserves				
General reserve		2,401,864		2,602,175
Designated funds				
- Governance arrangements		100,000		100,000
- Effectiveness of regulation research		80,000		69,872
Total Reserves		2,581,864		2,772,047