

Report to:	QSMTM Q4 2021-22
Report by:	Helen Gardner-Swift, Head of Corporate Services Kim Berry, Finance and Administration Manager
Meeting Date:	11/05/2022
Subject/ Title: (and VC no)	Finance Report Q4 2021-22 VC169501
Attached Papers (title and VC no)	Financial Summary – Variance Analysis as at 31 March 2022 VC169533

Purpose of report

1. This Committee Report (CR) has the following purposes:
 - (i) to update the Senior Management Team (SMT) on the organisation spend against agreed 2021-22 budget as at 31 March 2022.
 - (ii) to update the SMT on any instances of fraud

Recommendation and actions

2. I recommend:
 - (i) the SMT notes the CR and the Financial Summary – Variance Analysis as at 31 March 2022.
 - (ii) the CR and the Financial Summary – Variance Analysis as at 31 March 2022 are published in full as set out in paragraph 18.

Executive summary

Financial Summary – Variance Analysis as at 31 March 2022

3. The Financial Summary – Variance Analysis as at 31 March 2022 provides details of organisation spend against the agreed budget for financial year 1 April 2021 to 31 March 2022.

Budget setting

4. Key points to note:
 - (i) A budget submission for 2021-22 was made to the Scottish Parliament Corporate Body (SPCB) on 24 September 2020.
 - (ii) On 12 October 2020 the SPCB requested further information relating to calculation of staff costs and advised that the SPCB would seek to include in the Officeholders' Contingency Fund (OCF) funding of up to £70,000 for a new website, for the Scottish Information Commissioner (the Commissioner), in 2021-22.
 - (iii) A detailed summary of staff costs calculations was provided to the SPCB on 22 October 2020.
 - (iv) On 25 March 2021 budget approval for financial year 2021-22 of £2,030,000 and OCF funding approval of £70,000 for a new and accessible website was received.

Expenditure Variance to Budget

5. The following budget variances occurred in 2021-22:

- Staff Costs – underspend on staff costs is due to staff vacancies
 - (a) The SPCB approved the re-allocation of £84,600 of our Staff Costs budget underspend
 - (b) The re-allocation was used to cover: Court of Session costs - £34,000 (unbudgeted), Phase 1 website costs - £45,000 (Running Costs IT), additional Capital Expenditure relating to building work and IT equipment (for hybrid working) - £5,600 (Capital Expenditure)
- Staff Related Costs – underspend on officeholder and staff travel and expense costs due to restrictions on travel and attending external meetings
- Property Costs –
 - (a) underspend on utilities is due to savings as a result of the office being closed
 - (b) underspend on cleaning is due to credits received for staff absence
 - (c) reduced premises maintenance costs in 2021-22.
- Professional Fees –
 - (a) Legal advices costs reduced in 2021-22. These can be difficult to quantify when budget setting as they are dependent on a number of different variables, including novel issues raised in applications made to the Commissioner and responding to new legislation and court decisions.
 - (b) There was an overspend of other fees of £7,825. This predominantly relates to onboarding costs for a new payroll provider. In addition, internal audit fees rates have increased in 2021-22.
- Running Costs –
 - (a) There was an underspend on Administration costs in 2021-22 primarily due to the office closure. For example, there were reduced costs for stationery, copier costs, equipment, printer consumables and annual business continuity space retainer charges.
 - (b) IT costs were overspent by £17,447. Additional unbudgeted costs were incurred in the upgrade of spam filter software, purchase of webcams and headphones and the purchase of some replacement monitors.
 - (c) IT costs also include website maintenance and hosting costs. Due to the underspend on staff costs and, following approval from SPCB, £45,000 was moved from the staff costs budget to IT costs. This underspend was used to fund the design, build and implementation of the new website.
 - (d) as a result of more electronic communication there was an underspend of £3,371 on postage costs. This will be taken into consideration when setting future budgets.
 - (e) due to a change in priorities and the focus on a new website, there was an underspend on publicity and promotion and research at the end of the financial

year as illustrated

6. Capital

- The approved budget for capital expenditure in 2021-22 was £23,000 which included £6,000 for external painting work and £10,000 for internal painting work.
- Following a procurement exercise it was clear that the cost for internal painting would be significantly higher than expected and, therefore, it was decided that this work would be deferred and that the budget submission 2022-23 would include proposed costs for this work.
- Quotes received for external painting work were also higher than anticipated, however, the cost of this work could be met from the existing combined capital painting budget. This work was commissioned and commenced in October 2021. While this work was being carried out it was discovered that two windows on the top floor required significant repair which incurred an additional cost of £3,500.
- Although the costs for painting work were requested under Capital Expenditure costs our Accountant has advised that this should not be a capital cost but this should be coded as a building maintenance cost. The final total of £11,865.54 for the external painting is included within property costs maintenance and budget has been moved from capital to maintenance to cover these costs.

7. Court of Session costs

- Costs for defending appeals cannot easily be quantified for any financial year, as these depend on the number and complexity of cases we are involved in every year. If required, an application is made to the OCF to cover these costs.
- Due to budget savings, and following approval from the SPCB, £34,000 was moved from the staff costs budget to Court of Session costs and, therefore, no OCF application was required in 2021-22.

8. Income:

- Income of £2,614 was received from reimbursement of legal costs.

Instances of fraud

9. As far as I am aware, there have been no instances of fraud affecting our organisation:

- in Q4 2021-22
- throughout 2021-22
- to date in 2022-23.

Risk impact

10. This CR helps to mitigate the impact of strategic and operational risks relating to the monitoring of resources. If resources are not monitored effectively this may affect business continuity and, also, result in the inefficient and inappropriate use of resources.

Equalities impact

11. There is no direct equalities impact arising from this CR.

Privacy impact

12. There is no direct privacy impact arising from this CR.

Resources impact

13. There is no additional resource impact as regards the preparation of this CR and the quarterly Financial Summary – Variance Analysis. However, this CR helps us to monitor the impact of expenditure and the level of resources that are available during the financial year.

Operational/ strategic plan impact

14. Preparation of this CR and the quarterly Financial Summary – Variance Analysis fall within Business as Usual and the related governance reporting as set out in the Operational Plan 2021-22.
15. This CR helps us to monitor our resources and the impact on planned work carried out 2021-22, as set out in the Operational Plan 2021-22.

Records management impact (including any key documents actions)

16. None – other than the publication requirements as set out in this CR.

Consultation and Communication

17. QSMTM Q4 minute.

Publication

18. This CR and the Financial Summary – Variance Analysis as at 31 March 2022 should be published in full.