

Report to:	QSMTM Q4
Report by:	Kim Berry, Finance and Administration Manager (FAM)
Meeting Date:	31 May 2024
Subject/ Title: (and VC no)	Finance Report Q4 2023-24 VC208557
Attached Papers (title and VC no)	Financial Summary – Variance Analysis as at 31 March 2024 VC208556

Purpose of report

1. This Committee Report (CR) has the following purposes:
 - to update the Senior Management Team (SMT) on the organisation spend against the agreed 2023-24 budget as at 31 March 2024.
 - to update the SMT on any instances of fraud in Q4 2023-24 and to the date of this committee report.

Recommendation and actions

2. I recommend that the SMT:
 - (i) notes the CR and the Financial Summary – Variance Analysis as at 31 March 2024
 - (ii) agrees that the CR and the Financial Summary – Variance Analysis as at 31 March 2024 are published in full as set out in paragraph 15.

Executive summary

Financial Summary – Variance Analysis as at 31 March 2024

3. The Financial Summary – Variance Analysis as at 31 March 2024 provides details of organisation spend against the approved budget up to the end of Q4 2023-24.
4. Key points to note:

Staff Costs

- Officeholder staff costs have increased due to a salary uplift in 2023-24, which was not able to be included in the 2023-24 budget submission
- Senior Management Staff Costs - the overspend reflects the agreed pay reform exercise (which took effect from 1 February 2022-23) resulted in additional salary costs for both 2022-23 and 2023-24
- Other Staff Costs - the additional costs incurred as a result of the pay reform exercise have been offset by other staff savings.
- Other Staff Costs - underspend due to staff retiring, leaving and delays in recruitment

Staff Related Costs

- Recruitment - there is no allocated budget for expenditure on external recruitment. Costs were incurred as a result of external recruitment exercises undertaken in August and November 2023 and February 2023.
- Training – additional costs incurred over budget for records management training and online health and safety training provided by Worknest Learning Nest module.

Property Costs

- Cleaning - there has been a reduced cleaning service throughout the year due to cleaning staff availability

Professional Fees

- Legal Advisers – minimal legal advice costs have been incurred in 2023-24

Running Costs

- Administration costs – this underspend is predominantly due to a reduction in the spend on stationery, postage, printer consumables, photocopy charges and office consumables.
- Insurance – there has been a significant increase in the cost of purchasing insurance in 2023-24 resulting in the this overspend. There has been an increase in cost relating to all policies e.g. contents, buildings, employment liability and disputes and travel.
- Publicity and Promotion and Research – reduced staff resources affected ability to undertake project work. The underspend has been used to offset the additional capital costs for video conferencing equipment.
- IT and Insurance - the overspends have arisen as a result of the timing of annual contract renewals and should even out across the financial year

Capital Costs

- The approved capital purchase programme was carried out as planned with the addition of purchase of video conferencing equipment. The additional cost for this is offset by the reduction in Policy and Promotions and Research spend in 2023-24.

Court of Session Costs

- The 2023-24 costs incurred by the Commissioner in defending recent statutory appeals made to the courts are £54,859.74. This has been partially offset following award of expenses relating to two cases amounting to £27,397.

Instances of fraud – Q4 2023-24

5. As far as I am aware:

- there were no instances of fraud affecting our office in Q4
- there have been no instances of fraud affecting our office to date (31/05/2024).

Risk impact

6. 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

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

Privacy impact

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

Resources impact

9. There is no additional resource impact as regards the preparation of this CR and the quarterly Financial Summary – Variance Analysis.
10. 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

11. 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 2023-24 and the Governance Reporting Arrangements 2023-24.
12. This CR helps us to monitor our resources and the impact on planned work carried out in 2023-24, as set out in the Operational Plan 2023-24.

Records management impact (including any key documents actions)

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

Consultation and Communication

14. QSMTM Q4 minute.

Publication

15. This CR and the Financial Summary – Variance Analysis as at 31 March 2024 should be published in full.