

**Health Professions Council
Council Meeting –11 May 2006**

MARCH 2005 YEAR END FINANCIAL STATEMENTS AND NOTES

Executive Summary and Recommendations

1. Introduction

2. Decision

- The Council is asked to review and approve the March 2005 Year End Financial Statements.

3. Background information

Historically, the audited Year End financial statements and notes to the accounts have been reviewed by the Finance and Resources Committee in about late June, prior to submission to Council for their approval in early July.

Because of the extra-ordinary circumstances concerning the fraud, fraud investigation, appointment of a new firm of external auditors and inclusion of further year-end tax provisions relating to past years, the final signed statements were not available for the Council to review until May 2006, following their approval by the Finance and Resources Committee in April.

The signed statements and are attached. National Audit Office (NAO) advise that they will need to issue a supplementary opinion when the Annual Report is published.

The Standing Financial Instructions (SFI 4.2) state that “the Council’s audited financial statements must be presented to the Finance and Resources Committee and Council.” These accounts have now been reviewed by both Finance & Resources Committee and Audit Committee.

In summary, the “bottom line” deficit for the 31 March 2005 Year was £56k, compared to a “bottom line” deficit of £564k for the previous financial year.

The March 2005 deficit includes a provision of £304k for Council and Committee member additional PAYE and NI expenses relating to the period April 2002-March 2005 and an adjustment to recognise £130k of the fraud-related cost in the March 2006 year. This £130k adjustment was made in response to the National Audit Office’s view that fraud costs of £13k occurred after the March 2005 balance date and a further £117k of fraud investigation costs (forensic auditor and lawyer costs) also occurred after the March 2005 balance date.

4. Resource implications

Nil

5. Financial implications

Nil

6. Background papers

See attached signed Health Professional Council Report and Financial Statements for the Year ending 31 March 2005.

7. Appendices

Nil

8. Date of paper

25th April, 2006

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