

<b>Report to:</b>	QSMTM Q1
<b>Report by:</b>	Kim Berry, Corporate Services Manager
<b>Meeting Date:</b>	6 September 2024
<b>Subject/ Title:</b> (and VC no)	CR Financial Summary Report Q1 2024-25 VC214117
<b>Attached Papers</b> (title and VC no)	Financial Summary – Variance Analysis as at 30 June 2024 VC214116

## Purpose of report

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1. This Committee Report (CR) has the following purposes:
  - to update the Senior Management Team (SMT) on the organisation spend against the agreed 2024-25 budget as at 30 June 2024.
  - to update the SMT on any instances of fraud in Q1 2024-25 and to the date of this committee report.

## Recommendation and actions

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2. I recommend that the SMT:
  - (i) notes the CR and the Financial Summary – Variance Analysis as at 30 June 2024
  - (ii) agrees that the CR and the Financial Summary – Variance Analysis as at 30 June 2024 are published in full as set out in paragraph 17.

## Executive summary

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### Financial Summary – Variance Analysis as at 30 June 2024

3. The Financial Summary – Variance Analysis as at 30 June 2024 provides details of organisation spend against the approved budget up to the end of Q1 2024-25.
4. Key points to note:
  - the “Budget year to date” column shows the budget for the first three months. Each approved budget line amount is divided by 12 and multiplied by the relevant number of months.
  - The variance amount may be somewhat misleading – for example, we may be over budget at this moment in time but under budget in the next quarter.
  - Utilities – electricity costs are higher than estimated when setting budget. The Commissioner participates in the Scottish Government Framework agreement and has no control over costs.
  - Professional Fees – there has been additional unbudgeted spend on HR support. I anticipate the overspend being in the region of £3,500 at year end. In addition, the external audit fee set by Audit Scotland is higher than estimated when setting the budget for 2024-25 and I estimate an overspend of £1,360 at year end.

- Running costs – under and overspends are predominantly due to timing of invoices and should even out across the year.
5. The SMT has recognised that the current process of reporting expenditure against approved budget and forecasting of the overrun to the end of the financial year is unsatisfactory and does not provide the clarity required.
  6. A project is included in the Operational Plan 2024-25 Q3 to review the current processes.

### **Instances of fraud – Q1 2024-25**

7. As far as I am aware:
  - there were no instances of fraud affecting our office in Q1
  - there have been no instances of fraud affecting our office to date (06/09/2024).

### **Risk impact**

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8. 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**

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

### **Privacy impact**

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

### **Resources impact**

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11. There is no additional resource impact as regards the preparation of this CR and the quarterly Financial Summary – Variance Analysis.
12. 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**

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13. 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 2024-25 and the Governance Reporting Arrangements 2024-25.
14. This CR helps us to monitor our resources and the impact on planned work carried out in 2024-25, as set out in the Operational Plan 2024-25.

### **Records management impact (including any key documents actions)**

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

## Consultation and Communication

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16. QSMTM Q1 minute.

## Publication

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17. This CR and the Financial Summary – Variance Analysis as at 30 June 2024 should be published in full.