

HEARING AID COUNCIL

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED 31 JANUARY 2008

Executive Summary

The forecast deficit for the year has fallen to £30k largely due to a reduction in the forecast costs associated with the 2007 (2) exams and disciplinary process further to the cancellation of DC hearings previously scheduled in the period to year end. Disciplinary case recoveries have increased to £98k for the year to date but are subject to a detailed recoverability review and potential provisions for doubtful debts at year end.

The improved forecast outturn will assist in relation to pressures already arising in relation to 2008/09.

Notes

1 Retention and exam fees

Retention fees exceed budget as at 31 January 2008 by £26k. Forecast exam fees exceed budget by £18k. It is forecast that further retention fees will be received in the remainder of the financial year with new registrations approximately at the budgeted level.

2 Disciplinary case recoveries

Disciplinary case recoveries relate to costs awarded by Disciplinary Committee in the period. Debts are pursued vigorously by the Council although debts are not always fully recoverable. Provision for doubtful debts will be made if it is considered that debts are irrecoverable.

3 CPD income

Currently exceeds budget by £1k with forecast income extrapolated based upon income received for January 2008.

4 Committee costs

DC Committee, Audit Committee and other meeting costs are still expected to exceed budget for the year. Overall significant savings have been made in the costs of Council and other Committee meetings in the year.

5 Code of practice

The costs for this work have been accounted for in "other meetings."

6 Exam costs

The forecast over-spend in exam costs has fallen to £27k mainly due to reduced venue and examiner costs.

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Notes (continued)

7 Legal services costs

Costs exceed budget by £75k for the period. The outturn forecast is £304k which is £214k over budget. The budget for legal services was prepared before final outturn figures were available for 2006/07 and was therefore understated. The level of complaints has also doubled in 2007/08 with an estimated complaint for every ten dispensers on the register.

Forecast outturn costs are based upon the assumption that all IC cases received as at 31 January 2008 will be concluded at IC before 31/3/08. Future IC costs to 31 March 2008 are estimated based upon the number of complaints currently being received on a monthly basis.

DC costs are calculated using three measures ie most likely costs and best and worst case estimates for cases where DC meetings are expected to be held before 31 March 2008. Due to the cancellation of DC hearings until after 31 March 2008 the forecast costs for DC have fallen considerably.

8 Financial management costs

Costs exceed budget further to contract changes made after the 2007/08 budget was set.

9 Rent costs

Additional rent costs for the office move within St Mary's Axe were incurred after the 2007/08 budget was set.

10 Computer costs

Server failures and other IT problems have necessitated unexpected computer costs in 2007/08 in excess of budget.

11 Storage and insurance costs

The budget for both of these areas of spend was understated.