

Extraordinary Board of Management

(Closed minutes until Auditor General has approved External Audit and linked papers)

Minutes

Meeting reference: Board 2019-20/EM

Date and time: Thursday 20 February 2020 at 5.30pm

Location: Room 019

Purpose: Extraordinary meeting to discuss business deferred from Scheduled Board Meeting of 17 December 2019

Members present: Brian Crichton, Board Member (Chair)
Andrew Comrie, Board Member
Sharon Hammell, Board Member (via video conference)
Katrina Hodgson (from Item 5)
Debbie Hutchison, Board Member
Craig Ritchie, Board Member
Charlie Shentall, Board Member
Margaret Cook, Principal & Chief Executive
John Dare, Staff Member
Amy Studders, HISA Perth President
Debbie Das Chaudhry, HISA Perth

In attendance: Lorenz Cairns, Depute Principal (Academic)
Catherine Etri, Associate Principal (Curriculum)
Veronica Lynch, Vice Principal (External)
Graham Little, Interim Head of Finance
Henry Nicholson, Financial Accountant
Ian McCartney, Clerk to the Board of Management

Apologies: David Littlejohn, Board Member (Vice-Chair)
Sheena Devlin, Board Member
Lynn Oswald, Board Member

Chair: Brian Crichton
Minute Taker: Ian McCartney
Quorum: 6

Summary of Action Items			
Ref	Action	Responsibility	Time Line
5	External Audit Annual Report 2018-2019 Board Schedule of Reporting be produced for the June Board meeting, for roll-out AY 2020/21	Clerk	June Board
5	External Audit Annual Report 2018-2019 Vice Principal to confirm with EY that highlighted section on Page 13 has been completed, and correct error	Vice Principal	ASAP
5	External Audit Annual Report 2018-2019 Financial Forecast Return to be revised and tabled during next Board cycle	Vice Principal	March Board
5	External Audit Annual Report 2018-2019 Update on potential cost-effective fixes for finance, payroll and HR	Vice Principal	March Board
5	External Audit Annual Report 2018-2019 Risk Register to be updated to reflect recommendations within Audit Report	Clerk	March Board
6	Audit Committee report to the Board of Management Clerk to circulate updated version of Report	Clerk	ASAP

MINUTES

Item		Action
1.	<p>Welcome and Apologies</p> <p>The Chair welcomed everyone to the meeting, and noted apologies from David Littlejohn, Sheena Devlin and Lynn Oswald.</p> <p>Chair informed Board of closed nature of business until Auditor General has approved External Audit and linked papers.</p>	
2.	<p>Declaration of Interest in any Agenda Item</p> <p>There were no declarations of interest.</p>	
3.	<p>Minutes of the Extraordinary Meeting Finance & General Purposes & Audit Committees held on 11 December 2019</p> <p>Minutes were agreed as providing a true and accurate record.</p> <p>Actions arising from this meeting were completed and absorbed into Papers tabled at Extraordinary Board.</p>	
4.	<p>Perth College Group Report & Financial Statements for the Year ended 31 July 2019</p> <p>Interim Head of Finance presented Group Report & Financial Statements (Paper 2) noting that all outstanding issues related to this paper had been addressed</p> <p>Interim Head of Finance noted an additional £84k of accrued income from the previous version of the Paper tabled at the Extraordinary Meeting Finance & General Purposes & Audit Committees held on 11 December 2019, plus equal and opposite adjustments of £395k.</p> <p>Interim Head of Finance noted an operating deficit of £243k, which contributed to an Adjusted Operating Surplus of £1.274m, as noted in table on page 12 of the Statements. It was noted that this provided a better position to that of 2017-2018, however much of this improvement was due to deferred income released into the accounts.</p> <p>Chair commended Finance Team and External Auditors for their efforts under difficult circumstances, and noted that Paper 2 would be presented for approval alongside Paper 3.</p>	
5	<p>External Audit Annual Report 2018-2019</p> <p>Vice Principal presented paper 3 to the Board, comprising the External Audit Annual Review 2018-19.</p>	

	<p>Board Member asked about plans re Recommendation 9, re the Financial Forecast Return (FFR). Vice Principal advised that the FFR process will need revisited in terms of projections to ensure these are robust, and that an amended FFR will be tabled during the next Board cycle.</p> <p>Board Member asked about the section on Governance and Transparency, noting in particular the reference made to the quality of reporting and recording of decision-making. Clerk noted that a project had commenced view a view to providing clear protocols throughout the organisation with regard to minute-taking, and this was due to be concluded before the end of the Academic Year.</p> <p>Board Member noted that a number of the points raised within the Audit Report were resource-based, for example systems weaknesses in payroll and pensions, and asked what Board could do to address this. Chair noted that the Action Plan should provide clarity on the priorities for the College, which will directly impact resource allocation, however this was more than a matter purely of affordability. Principal expressed a preference for an end-to-end system, but noted that this was not available within the Tech1 system utilised by UHI. Vice Principal further noted that a £25k investment planned for an updates to the current finance system, Symmetry.</p> <p>Chair requested that an update be provided to next Board meeting on potential short-term cost-effective system fixes for finance, payroll and HR.</p> <p>Concluding the discussion, Chair requested that the Risk Register be updated to reflect the recommendations within the Audit report.</p> <p>Subject to the amendments noted, the Perth College Group Report & Financial Statements for the Year ended 31 July 2019 and External Audit Annual Report 2018-2019 were APPROVED.</p>	<p>Vice Principal</p> <p>Vice Principal</p> <p>Clerk</p>
6	<p>Audit Committee Annual Report to the Board of Management</p> <p>Clerk presented Paper 4, noting that an Addendum had been tabled re Section 2 – Internal Audit. The wording had been agreed with the Internal Auditor having provided them the opportunity to clarify the context of areas within their scope, this matter having been agreed in principle at the Extraordinary Meeting of F&GP & Audit Committees; however this wording had not been received in time to be included in the Paper.</p> <p>Board Member noted than certain parts of Appendix 3, Section 6 required clarification to provide consistency, and that the final paragraph of Section 2 of the Report relating to the Internal Auditor requires the addition of “with exceptions”.</p>	

	<p>Subject to these amendments, the Audit Committee Report to the Board of Management was APPROVED.</p> <p>An updated version of the Report, plus covering note detailing the changes made, is to be circulated to the Board.</p>	Clerk
7	<p>Date & Time of Next Meeting</p> <ul style="list-style-type: none"> Wednesday 18 March 2020 at 5:30pm <p>Chair recorded thanks to Board, management and other staff for their continued forbearance over the last few months in dealing with these complex issues.</p>	

Information recorded in College minutes are subject to release under the Freedom of Information (Scotland) Act 2002 (FOI(S)A). Certain exemptions apply: financial information relating to procurement items still under tender, legal advice from College lawyers, items related to national security.

Notes taken to help record minutes are also subject to Freedom of Information requests, and should be destroyed as soon as minutes are approved.

Status of Minutes – Open ☐ Closed ☒ *

***Minutes will remain closed until Auditor General has approved External Audit and linked papers**

An **open** item is one over which there would be no issues for the College in releasing the information to the public in response to a freedom of information request.

A **closed** item is one that contains information that could be withheld from release to the public because an exemption under the Freedom of Information (Scotland) Act 2002 applies.

The College may also be asked for information contained in minutes about living individuals, under the terms of the Data Protection Act 1998. It is important that fact, rather than opinion, is recorded.

Do the minutes contain items which may be contentious under the terms of the Data Protection Act 1998? **Yes ☐ No ☒**