

Finance and General Purposes Committee

Draft Minutes

Meeting reference: FGP2016-17/02

Date and time: Wednesday 30 November 2016 at 4.30pm

Location: Room 033

Members present: Jim Crooks, Harold Gillespie, David Littlejohn, Margaret Munckton, Lorna Nicoll (John McDonald from Agenda Item 13)

In attendance: Jackie Mackenzie (Vice Principal, Finance and Estates)
Susan Bald (Vice Principal, HR and Communications)
Ian Martin, Head of Finance
Jenny Simmonds (Clerk to the Board)

Apologies: Grant Myles

Chair: Harold Gillespie Items Agenda 1-6, David Littlejohn Agenda Items 7-16

Minute Taker: Jenny Simmonds

Quorum: 3

Summary of Action Items			
Ref	Action	Responsibility	Time Line
7.2	Update Committee members after the FSCP Project Board meeting	Jackie Mackenzie	December 2016

Item

1 **Welcome and Apologies**

Harold Gillespie welcomed members to the meeting and noted apologies. Harold Gillespie advised members that David Littlejohn was on his way to the Committee meeting and would take over the Chair on arrival.

2 **Additions**

Jackie Mackenzie requested an additional agenda item on the Finance Systems Convergence Project. This would be taken after Agenda item 7.1 Maintenance Programme as part of the Estates Update. Members agreed to this request.

3 **Declaration of Interest in any Agenda Item**

There were no declarations of a conflict of interest.

Action

4 **Minutes of Meeting held on Wednesday 12 October 2016**

The minutes were approved as a correct record.

5 **Matters Arising from Previous Minutes**

7 Highlight concerns with the forward budget position at the Board Meeting on 27 October 2016 under F&GP minute update

Action completed.

8 Prioritised list of backlog maintenance projects with details to be presented to the next F&GP meeting once final details of funding are available.

Action: Maintenance programme presented at Agenda Item 8

12 Board and Committee Agendas to be structured to reflect topics areas of Terms of Reference. A forward calendar for the Board and each Committee be developed to show what papers/topics are to be presented to each meeting.

Action: Forward Committee work programme presented at Agenda Item 9.1.

6 **Accounts**

6.1 Perth College Management Accounts – 3 months to 31 October 2016

Ian Martin (IM) tabled the income and expenditure and balance sheet August-October 2016. IM reported that both the income and staff costs are on budget. Non-staff costs are slightly over budget due to some necessary front loading of expenditure, e.g., purchasing of student resources and teaching materials. The non-staff costs also include some premises costs for AST which will be returned as income.

IM reassured the Committee that it was a healthy balance sheet and there is nothing to cause concern.

The Committee noted that the paper presented a clear view of the current budget situation and they were re-assured by it.

Noted

6.2 AST Management Accounts – 3 months to 31 October 2016

Jackie Mackenzie (JM) presented the AST Management Accounts – 3 months to 31 October 2016 for discussion. JM reported no concerns with the AST budget position at this point.

Noted

7 Estates

7.1 Maintenance Programme (including prioritised list of backlog projects)

David Littlejohn joined the meeting at this point.

Jackie Mackenzie (JM) presented the Estates Maintenance Programme for Committee approval.

JM reported that since the last Committee meeting, Perth College UHI has been allocated £352k of additional funding from the UHI overall allocation from the SFC to allow acceleration of backlog maintenance on the condition that the money is spent by 31 March 2017. A prioritised list of projects with the potential to meet the completion deadline has been drawn up and presented to the Committee.

The Committee agreed that Perth College had received a very good allocation of funds. This may be due to money being allocated to “shovel ready” projects which can proceed and be completed within the deadline. Some pre-planning work has already been done on the projects listed and JM was confident that subject to some further feasibility and planning studies these projects would complete in time. Careful planning of the work will be required during term time.

Approved

The Committee approved the Estates Maintenance Programme.

7.2 Additional Item - Finance Systems Convergence Project

Jackie Mackenzie (JM) reported that the Finance Systems Convergence Project (FSCP) is an EO funded and led project tasked with providing a new Finance System for EO and some of the academic partners. Perth College is part of the project, JM is on the Project Board and Ian Martin is involved in the wider core development team.

JM is increasingly concerned as the project is nearly one year

behind schedule with no clear end date or plan of action to deliver the project outcomes and new finance system.

JM is concerned the lack of progress of the project is exposing Perth College UHI to a potential serious level of operational risk.

The current Perth College UHI finance system, Symmetry, is operational and fully functional in the meantime. However, the system has not been upgraded as normal as it was thought the new system would have replaced it by now. The Symmetry system now requires upgrades for the College to continue managing its financial management responsibilities in accounting, monitoring and reporting robustly and effectively.

There is a FSCP Project Board in the middle of December which will review the progress of the project and a decision may be made to withdraw from the contract at that point.

JM will report back to the Committee if the Executive Office and other partners on the FSCP Project Board choose to withdraw from the Project.

If the FSCP Project Board chooses not to withdraw from the Project, Perth College may reserve the right to make its own decision to withdraw from the Project and upgrade the Symmetry system. JM will return to the Committee for discussion and approval of options if required.

AP: JM to update Committee members after the FSCP Project Board meeting.

Jackie
Mackenzie

8 Human Resources

8.1 Human Resources Update

Susan Bald presented the key staff management statistics for the first quarter of 2016-7.

Noted

8.2 Recognition and Procedure Agreement

Susan Bald presented the finalised RPA for support staff for Committee Review. Both this RPA and the EIS RPA will be presented to the Board of Management for signing.

Noted

9 **Committee Business**

9.1 **Forward Calendar for F&GP Committee Meetings**

The Clerk presented a draft Forward Calendar of Committee business for approval. The Committee noted the following points:

- i. It is likely the Balanced Scorecard will be presented to the Committee more often to meet the requirements of the revised Education Scotland Framework;
- ii. Rename the document a work plan rather than Forward Calendar.

Approved

The Committee approved the F&GP Work Plan subject to the comments above.

10 **Standing Committees**

10.1 **Joint Negotiating Committee 27 October 2016**

- Support Staff
- Lecturers

Noted

11 **Date and Time of Next Meeting**

Wednesday 8 March at 17.30

12 **Review of Terms of Meeting**

The Committee agreed it had been a very good meeting which covered the Terms of Reference.

Joint Meeting – The Committee were joined by the Audit Committee at 5.30pm

John McDonald joined the Committee at this point

13 **Joint Welcome and Apologies**

David Littlejohn and Derek Forgan, Chair of the Audit Committee, welcomed members to this joint meeting.

Introductions were made and apologies noted.

It was agreed David Littlejohn would Chair the beginning of the

joint meeting.

14 Perth College Management Accounts Year to 31 July 2016 – Final report and Commentary

Ian Martin presented the Management Accounts noting that, operationally, for year end 2016 Perth College achieved budget.

David Littlejohn noted the draft Management Accounts had been presented to the F&GP Committee in October and there had been a good discussion of the detail in the accounts at that point.

Approved

The Finance and General Purposes Committee approved the Perth College Management Accounts Year to 31 July 2016 – Final report and Commentary

Noted

The Audit Committee noted the Perth College Management Accounts Year to 31 July 2016 – Final Report and Commentary

David Littlejohn thanked Jackie Mackenzie, Ian Martin and all the finance team for all their hard work in 2015-16.

15 External Audit Report

Nicola Livingstone, Wylie and Bisset LLP, took Committee members through the External Audit Annual report highlighting key points of interest.

In particular, Ms Livingstone noted that for the third year in a row the auditors have no recommendations to be brought to the attention of the Board of Management. No issues have arisen for the Auditors to consider and they are satisfied with what they have found.

Wyllie Bisset reported they were very satisfied with the level and quality of assistance they received from staff during the audit process and throughout the year.

Committee members considered this to be an excellent report for the College once again and formally thanked Jackie Mackenzie, Ian Martin and all the Finance team for their efforts and hard work in achieving this result.

Ian Martin thanked Wylie Bisset for working very well with the College. It was a very thorough and efficient audit.

Committee Members acknowledged this was the last year of service from Wylie Bisset and thanked them for all their hard work and assistance during the last five years.

16 **Draft Perth College Group Report and Financial Statements for the Year ended 31 July 2016**

Ian Martin (IM) introduced the draft Perth College Group Report and Financial Statements for the Year ended 31 July 2016 and drew members' attention to the different format of the Financial Statement this year due to the new requirements of the 2015 FE HE Statement of Recommended Practice (SORP) and the Financial Reporting Standard 102.

IM noted that the deficit in year is attributable to the actuarial representation of the pension scheme being recognised in the balance sheet for the first time.

A note of how the transition to the 2015 FE HE SORP has affected the reported financial position, financial performance and cash flows is provided at Note 31 in the Statement.

Members discussed whether the College could meet all its liabilities if they were presented. Jackie Mackenzie reassured members that the College is in a position to honour all its liabilities in the traditional sense. Accounts are now presented in accounting terms which requires Colleges to prepare a single statement of comprehensive income which differs from previous years.

Recommendation

The Finance and General Purposes Committee recommended the draft Perth College Group Report and Financial Statements for the Year ended 31 July 2016 to the Audit Committee for approval.

Approval and Recommendation

The Audit Committee approved the draft Perth College Group Report and Financial Statements for the Year ended 31 July 2016 and recommended them to the Board of Management for approval and signing.

The Finance and General Purposes Committee concluded its business and left the joint meeting at this point.

Information recorded in College minutes is 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

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**